


**Reports  
of  
The Royal Commission  
of Inquiry  
Algoma University College**

**June 30, 1976 — November 15, 1977**

Commissioner

John W. Whiteside, QC

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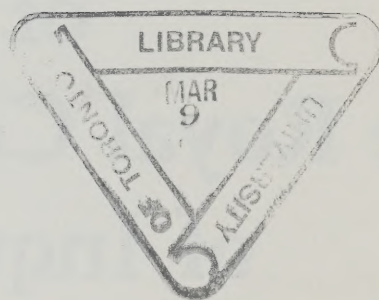
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## FOREWORD

The Commission of Inquiry on Algoma University College was appointed by Order-In-Council dated March 10, 1976. The Commission's work continued for a period of 20 months during which five weeks of public hearings were held and four reports were submitted.

The Preliminary Report, dated June 30, 1976, contained findings relating to public hearings and recommended changes in the structure and personnel of the College.

The Second Report, dated July 30, 1976, set out a series of reflections upon the administration of the College under the trusteeship recommended in the Preliminary Report.

The Third Report, dated June 3, 1977, recommended an extension of the trusteeship.

The Final Report was delivered on November 15, 1977.

All of the reports are contained in this volume.

The records of the Commission, including written submissions and briefs, transcripts of evidence and other material, will be transmitted to the Archives of Ontario for preservation.

John W. Whiteside,  
Commissioner.

Windsor, Ontario.  
December, 1977.



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## COMMISSION STAFF

John W. Whiteside, Q.C.	Commissioner
Rodney Hull, Q.C.	Commission Counsel
Anthony Keller, L.L.B.	Registrar
Catherine Meanwell, L.L.B.	Assistant Registrar
James A. Hartman, Ph.D.	Consultant
Shaughnessy Cohen, M.A., L.L.B.	Consultant
Duncan F. Read, M.Ed., L.L.B.	Accountant
Marianne Skinner	Secretary
Pat Smith	Secretary





# **Preliminary Report of The Royal Commission of Inquiry**

**Algoma University College**

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Commissioner  
John W. Whiteside, QC

June 30, 1976



Copy of an Order-in-Council approved by  
Her Honour the Lieutenant Governor, dated the 10th  
day of March, A.D., 1976.

Upon the recommendation of the Honourable  
the Attorney General, the Committee of Council  
advise that pursuant to the provisions of the Public  
Inquiries Act, S.O. 1971, Chapter 49, a Commission  
be issued appointing

John W. Whiteside, Q.C.

a Commissioner to inquire into, study and report upon:

- (1) all structural and procedural aspects of  
the management of Algoma University College  
bearing upon its effective operation including:
  - (a) the relationship between the Board of  
Governors of Algoma University College  
and any and all entities, organizations  
or elements thereof,
  - (b) the relationship between the Board of  
Governors of Algoma University College  
and the Board of Directors of Algoma  
College Association,
  - (c) the affiliation between and other  
arrangements existing between Algoma  
University College and Laurentian  
University,
  - (d) the means employed in the incorporation  
of the aforesaid College and Association  
and the adequacy and propriety thereof.

- (2) To make recommendations regarding any actions or alterations which may be deemed appropriate for the implementation of any recommendations arising from (1).

The Committee further advise that the said Commissioner shall have the power pursuant to the provisions of the Public Inquiries Act to summon any person and require any such person to give evidence on oath and produce such documents and things as are deemed requisite for the full investigation of the matters to be examined.

And the Committee further advise that all Government ministries, boards, agencies and committees shall assist, to the fullest extent, the said Commissioner who, in order to carry out his duties and functions, shall have the power and authority to engage such staff, secretarial and otherwise, and technical advisers as he deems proper, at rates of remuneration and reimbursement to be approved by the Management Board of Cabinet.

Certified,

"J.J. Young"

Clerk, Executive Council.

Seal

O.C. 1248/76

Copy of an Order-in-Council approved by  
Her Honour the Lieutenant Governor, dated the 5th  
day of May, A.D. 1976.

Upon the recommendation of the Honourable  
the Attorney General, the Committee advise  
that the Order-in-Council numbered OC-616/76, dated  
the 10th day of March, 1976, be amended by deleting  
the words:

- (1) All structural and procedural aspects of  
the management of Algoma University College  
bearing upon its effective operation  
including:

and substituting therefor the following:

- (1) All aspects of the management of Algoma  
University College bearing upon its effective  
operation including:

Certified,

"J.J. Young"

Clerk, Executive Council.



To Her Honour,  
The Lieutenant Governor of Ontario,

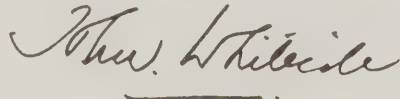
May It Please Your Honour,

I, the undersigned, John W. Whiteside, a Professor in the Faculty of Law of the University of Windsor, appointed Commissioner by Order-in-Council OC 616/76 pursuant to the provisions of the Public Inquiries Act 1971 and approved by Your Honour on the 10th day of March A.D. 1976, as amended by Order-in-Council OC 1248/76 and approved by Your Honour on the 5th day of May 1976, to inquire into, study and report upon:

- 1) All aspects of the management of Algoma University College bearing upon its effective operation including:
  - a) the relationship between the Board of Governors of Algoma University College and any and all entities, organizations or elements thereof,
  - b) the relationship between the Board of Governors of Algoma University College and the Board of Directors of Algoma College Association,
  - c) the affiliation between and other arrangements existing between Algoma University College and Laurentian University,
  - d) the means employed in the incorporation of the aforesaid College and Association and the adequacy and propriety thereof.
- 2) To make recommendations regarding any actions or alterations which may be deemed appropriate for the implementation of any recommendations arising from (1):

Beg to Submit to Your Honour

The Following Preliminary Report.



Sault Ste. Marie, Ontario

Commissioner

30th June, 1976



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INTRODUCTION TO PRELIMINARY REPORT

The independence of universities is a valued tradition in the Province of Ontario. To assure the autonomy of universities, the government, through the Ministry of Colleges and Universities, makes operating funds available to each provincially-supported university on the basis of a complicated formula. The governing body of each university is then expected, within the resources available to it, to undertake and further the objects of the institution without direct government interference or intervention. In addition, each governing body is expected to be responsive to community needs and accountable for its administration of the affairs of the university.

During 1975 and early 1976, conditions at Algoma University College were perceived by certain elements of the community to justify government intervention. Demands were made for such action.

The allegations were sufficiently serious to require acknowledgement that a matter of public concern existed. Accordingly, the Lieutenant Governor-in-Council appointed the Commission of Inquiry on Algoma University College under the provisions of the Public Inquiries Act, Chapter 49, Statutes of Ontario, 1971. In so doing, it sought to ensure a fair, impartial investigation of the allegations which had been made, while avoiding direct interference by the government in the operations of the university.

I have been mindful of these considerations in discharging my duties and have attempted to be faithful to the larger implications involved in undertaking an inquiry into the affairs of a university.

Under the terms of reference set out in Order-in-Council dated March 10, 1976, this Commission was required:

to inquire into, study and report upon:

- 1) all structural and procedural aspects of the management of Algoma University College bearing upon its effective operation including:
  - a) the relationship between the Board of Governors of Algoma University College and any and all entities, organizations or elements thereof,
  - b) the relationship between the Board of Governors of Algoma University College and the Board of Directors of Algoma College Association,
  - c) the affiliation between and other arrangements existing between Algoma University College and Laurentian University,
  - d) the means employed in the incorporation of the aforesaid College and Association and the adequacy and propriety thereof,
- 2) to make recommendations regarding any actions or alterations which may be deemed appropriate for the implementation of any recommendations arising from 1).

After the Commission was appointed, inquiries were made which persuaded me that the said terms of reference should be enlarged. I recommended such action by letter to The Honourable, The Attorney General, dated the 22nd day of April, 1976.

As a consequence, the Terms of Reference were amended by Order-in-Council, dated May 5, 1976, by deleting the words:

"1) All structural and procedural aspects of the management

of Algoma University College bearing upon its effective operation including:"

and substituting therefore the following:

- 1) all aspects of the management of Algoma University College bearing upon its effective operation including:."

The inquiry directed to be undertaken by the Order-in-Council, as amended, required a careful investigation of all aspects of the management of Algoma University College and consideration of its role in Sault Ste. Marie and Algoma District communities.

Rodney Hull, Q.C. was appointed Counsel, Anthony Keller, LL.B., and Catherine Meanwell, LL.B., were appointed Registrar and Assistant Registrar respectively.

Clarkson, Gordon & Co., chartered accountants, were commissioned to prepare a report upon the finances, the academic programmes and other matters relating to the college.

Submissions were invited from persons having substantial and direct interests in the subject matter of the inquiry. Public hearings were held at the Holiday Inn, Sault Ste. Marie, Ontario, on May 7, May 17, 18, 19, 20, 21, 25, 26, 27, 28, and on June 7, 8, 9, 10, 11, 14, 15, 16 and 17.

A large number of organizations and individuals made appearances. They are listed in the appendices attached hereto.

Algoma College Association, its Officers and Directors, and Algoma University College, its Governors and its Principal, Dr. Donald Watkins, were represented by C. Terrence Murphy, Q.C., Counsel.

Procedures were established to ensure that all groups and individuals who were not represented by Counsel, could employ fully the services of the Commission staff. Daily transcripts of evidence were produced and made available for inspection in the office of the Commission, together with all exhibits and submissions.

Events leading to the establishment of the Commission had produced severe tensions within the several elements of the college and in the community at large. In order to achieve an appropriate climate for the reception of evidence, and to permit proper perspectives to be gained, an effort was made, in the conduct of the hearings, to ease tensions and to avoid an adversarial relationship developing among the several participants.

Further, in view of the severe dislocation of the finances of the institution and the lack of an appropriate structure for decision-making relative to programmes, appointments and other matters, a number of informal meetings were held by myself, in the presence of members of my staff, with several officials of administration and faculty during which I discussed imminent problems with them. In each case I was courteously received by all persons and they were responsive to suggestions made for the remedy of immediate and critical problems.

I wish to comment upon the cooperation I have received from all elements of the college community while undertaking this inquiry. Each was helpful and cooperative to the fullest degree.

Though the public hearings began in an atmosphere of tension and hostility, I detected a change as they progressed. At

the conclusion I found a fresh sense of realistic awareness on the part of each element for the problems and concerns of others. There seemed to be, in light of the evidence adduced, a recognition of the overriding need for meaningful cooperation between all such elements -- Board, Administration, Faculty, Students and the community at large, if the institution were to overcome its pressing problems and to survive.

This, I believe, augurs well for the future.

REASONS FOR PRELIMINARY REPORT

The nature and scope of the inquiry has necessarily been extremely wide. It has included a review of the history of Algoma University College, the nature of the constituency served by it, the role expected to be played by it, as well as its structure, finances, programmes and resources.

The inquiry has revealed serious flaws in the organization and structure of the college, its finances, and its general and academic administration. Most significantly, it has revealed the heavy negative impact of these problems upon the people involved, including Directors, Governors, Administrators, Faculty and their families. The inquiry demonstrated, beyond doubt, that unless immediate steps are taken to correct these problems and deficiencies, the college will become bankrupt in terms of its finances, the morale of its administration and staff, and its ability to continue as a university and to serve the interests of the community.

My analysis has firmly persuaded me that the seriousness of the condition of the college has fully justified the decision taken by the Lieutenant Governor-in-Council to establish this Commission of Inquiry.

I am also persuaded that I have an obligation to make findings, without delay, concerning certain serious allegations which have been made and which impugn the conduct and the reputations of many persons who have served the college for many years. These allegations, many of which arose out of rumour, speculation and innuendo, were of a serious nature and I was obliged to investigate them fully.

I therefore report, at the outset, that I found no evidence of misconduct, impropriety or bad faith on the part of any person connected with the college. Specifically, I found none of the allegations of misfeasance and nonfeasance referred to in later portions of this report to have been proved.

In order to permit immediate action to be taken, I have considered it obligatory to prepare and submit the following preliminary report and recommendations. The report will be found wanting in terms of literary content and style. I believe, however, that if acted upon without delay, it will provide a basis for restoring the college to a viable condition and avoid the loss of a major investment of time and effort by the Government of Ontario and the Sault Ste. Marie and Algoma communities. Perhaps most importantly, I believe it will avoid, or at least mitigate, the "people" problems that will otherwise be suffered.

SAULT STE. MARIE AND ALGOMA DISTRICT COMMUNITIES

Sault Ste. Marie is a vigorous and dynamic industrial community located at the international boundary on the St. Mary's River.

It is a city of approximately 79,000 persons whose population has doubled during the past twenty years. It is located opposite Sault Ste. Marie, Michigan, which has a population of 30,000.

The city has undertaken many major improvements in recent years, the most notable of which are the civic centre and waterfront development. Sault Ste. Marie is an ambitious and well-developed city. Its economy is centred upon the massive works of Algoma Steel Corporation which employs one-third of the city's labour force of 30,000. Almost forty per cent of the labour force is engaged in manufacturing. Other major industries include Abitibi Paper Co., Dubreuil Brothers Limited, Great Lakes Power Co. Ltd., Soo Mill and Lumber Co. Ltd., Weldwood of Canada Limited, and Weyerhaeuser (Ontario) Limited. Each of these industries reflects the dependence of the economy of the area upon minerals and forest products.

The city, with a large number of hotels, motels, and restaurants, is also developing a reputation as a pleasant convention centre.

Sault Ste. Marie is the gateway to the Algoma District which is one of Canada's great vacation lands. Tourism is a major industry. The District has a relatively static population of approximately 118,000; this includes the major communities within the district, Wawa and Elliot Lake. Iron ore mining is undertaken in the former and the world's largest concentration of uranium ores is to be found in the latter.

Sault Ste. Marie and the Algoma District are somewhat isolated from the remainder of the province. The closest major population centres are Sudbury to the east, and Thunder Bay to the west. Laurentian University is located in the former and Lakehead University in the latter.

As a consequence of this isolation, Sault Ste. Marie has drawn upon its own resources and has developed into a resourceful, self-reliant and vigorous community. It was this spirit which prompted the establishment of Algoma University Collège. It is well-served by a large number of cultural and social service organizations, service clubs, churches and athletic facilities. It is also served by two hospitals, Plummer Memorial and General Hospital, having a total of 520 beds. The city has a proportionately large professional population of physicians and solicitors. This population is augmented by scientists employed at the several federal and provincial government laboratories and institutions in the city.

There is an abundance of recreational facilities in the City of Sault Ste. Marie including three indoor hockey arenas, beach areas, ski slopes, athletic areas, cinemas and three auditoriums.

Hunting, fishing, boating, camping, snowmobiling and other outdoor activities are readily available to residents of Sault Ste. Marie within the Algoma District and the area has many attractions and advantages which will serve it well in the future.

EDUCATIONAL OPPORTUNITIES

In the City of Sault Ste. Marie the public and separate school systems consist of 72 elementary schools and 9 secondary schools. In the Algoma District there are 8 school boards.

The student population in these combined systems is 37,179, and some 1,895 teachers are employed.

Advanced education is provided by the Sault College of Applied Arts and Technology which offers one to three-year programmes in Applied Arts, Business and Technology. The college has 1,500 full-time students and approximately 2,500 part-time students and a full-time teaching staff of 148. Its facilities are located in Wawa and Elliot Lake as well as in Sault Ste. Marie.

Algoma University College offers degree courses at the pass level in the Humanities, Social Sciences and Natural Sciences.

The area is also served by Lake Superior State College in Sault Ste. Marie, Michigan, a large post-secondary institution having 1,765 students and a full-time faculty of 105. It offers degree programmes in the School of Arts and Social Sciences and the School of Science and Technology. It enjoys a large, well-equipped campus upon which a new athletic complex, comprising an indoor rink, olympic swimming pool, and tennis courts, is being constructed.

The Algoma District appears, from the foregoing, to have a wide range of post-secondary educational facilities, if those at Lake Superior State College are taken into consideration. It seems reasonable to suggest that any expansion or modification of programmes and facilities at Algoma University College ought to be undertaken only after careful consideration is given to those at Lake Superior State College.

ESTABLISHMENT AND INCORPORATION  
OF ALGOMA COLLEGE ASSOCIATION

The history of Algoma University College may be traced back to the mid-1950's when concern was expressed for the lack of post-secondary educational facilities in the area. The concern was prompted by the economic and social loss suffered by the community from students leaving the area to continue their education in southern Ontario and the inability of others to continue beyond the secondary school level for economic or other reasons.

A representative coordinating committee was formed by citizens of the community to explore the possibility of establishing a Junior College in Sault Ste. Marie. This committee undertook investigations and in February, 1960, it decided to organize an association to further its objectives.

The unincorporated association, called the Algoma Junior College Association, adopted a constitution providing for broad participation by business, labour, educational and civic leaders in the area.

Records of the association reveal that many of the present members of the Board of Directors of Algoma College Association were active in the formative work. William Hogg was the first Chairman. Messrs. J.T. Stubbs, Ralph Derby, L. Brown and the late Dr. J.M. Cameron figured prominently in the Association's activities.

Efforts were made to enlist community support for the undertaking; intensive studies were begun to determine the feasibility of the project, and conversations were held with officials of the provincial government.

In March, 1962, it was suggested to the Association by the then

Prime Minister and Minister of Education for the Province of Ontario, The Honourable John P. Robarts, to consider the Association's proposals with the Advisory Committee on University Affairs.

The Advisory Committee, in March, 1963, advised the Association that the government of the province had determined that no new degree-conferring institutions would be authorized within the province. It was further informed that, in order to qualify for government assistance, it must become incorporated and obtain affiliation with an established Ontario University.

Contact was then made by the Association with several Ontario universities with a view to affiliation. On September 30, 1964, the President of Laurentian University of Sudbury, Mr. Stanley G. Mullins, informed the Association of his University's decision to take Algoma College into affiliation.

Application was then made by Messrs. R.S. Derby, J.T. Stubbs, L. Brown, D.A. Machum and W.N. Hogg for incorporation under the Ontario Corporations Act. The name Algoma College Association was selected. The following were the corporate objects:

to organize and establish a non-sectarian college in the District of Algoma; to encourage education beyond the secondary school level in the said District of Algoma; and to accept donations, gifts, legacies and bequests.

The legal work was undertaken by Mr. Machum, a member of the legal department of Algoma Steel Corporation. His gratuitous contribution reflected the continuing support given by Algoma Steel to the development of the institution.

Letters Patent, duly incorporating the Association, were granted on the 23rd day of October, 1964. No Supplementary Letters Patent

have been issued to the corporation.

The application for incorporation was subsequently ratified at a meeting of the members of the Association, at which 47 persons were in attendance held on April 5, 1965. At this same meeting, it was reported that the Minister of University Affairs had, on February 1, 1965, approved Algoma College's affiliation to Laurentian University and the offering of university programmes limited to first-year courses in the faculty of Arts and Science.

At a meeting held on October 27, 1964, the then Minister of Education, The Honourable William G. Davis, discussed with representatives of the Association the advisability of its participating in the establishment of an educational complex with the Ontario Vocational Centre at Sault Ste. Marie. The centre was soon to become a part of the system of Colleges of Applied Arts and Technology within the province known as Cambrian and later as Sault College. The Association expressed some reservations concerning the proposal on the grounds that an association with a non-degree conferring institution might impair academic standards and the standing of the college and its students in the university community.

Subsequently by letter dated March 24, 1965, the Minister of Education urged a degree of caution in planning for Algoma College because of developments in post-secondary education. This letter was later called the "flashing amber light letter" by officials of the Association. It was the first of a series of cautions, warnings and injunctions issued to officials of the Association by the government of the province. These clearly reflected a concern that the college was overreaching its capabilities. Events later justified this concern.

The college then proceeded to engage a Principal, Registrar and Librarian. At the meeting held on April 5, 1965, a statement of

Receipts and Disbursements of the Association for the periods February 17, 1960 to March 31, 1965, was presented by the Treasurer, Mr. H.S. McLellan, C.A. It reflected gross receipts of \$2,975.00 against disbursements of \$2,191.59 for a net cash position of \$783.41. Mr. McLellan also presented a statement of the Association's financial position at March 31, 1965. It showed securities in the custody of the Treasurer to the value of \$24,000.00 representing grants made by the Townships of Korah and Tarentorus in the amounts of \$10,000 and \$14,000 respectively. It also showed funds held by the Treasurer of the Corporation of the City of Sault Ste. Marie amounting to \$225,402.86 representing 1962, 1963 and 1964 one-half mill levies plus interest earned to December 31, 1964.

Arrangements were then made for operating grants to be made available to the Association by the Department of University Affairs for the fiscal year July 1, 1965 to June 30, 1966.

The college was launched upon its course. It opened its doors at the Cambrian site in September, 1967.

AFFILIATION WITH LAURENTIAN UNIVERSITY  
OF SUDBURY

In accordance with the directive issued by the Department of University Affairs, Algoma College Association, in mid-1964 entered into negotiations with Laurentian University of Sudbury for affiliation.

Discussions took place throughout 1965 and on December 17th of that year a formal agreement was executed.

The agreement provided inter alia for the following:

- a) that the university would accept the college as an affiliated institution giving instruction in certain courses prescribed by the Senate of the university leading to a certificate, diploma or degree of the university,
- b) that the university would establish an inspection system to ensure that uniformity of standards was maintained and that the curriculum was being followed and instruction satisfactorily given in accordance with the requirements of the university,
- c) that the university would deliver Baccalaureate degrees and other certificates and diplomas to students of the college who had fulfilled all requirements therefor,
- d) that the university would recognize the principal of the college or his designee as a regular member of the Faculty Council of Arts and Science of the university,
- e) that the university would submit, on behalf of the college, in its annual budget to the Department of University Affairs of Ontario, requests for operating and other grants as requested by the college and would transmit without deductions to the college any funds received from the province of Ontario on its behalf,
- f) that the university would assist the college in recruiting suitable academic and administrative staff members,
- g) that the university would transfer to the college, upon request, responsibility for the operation of the extension program of the university in the Sault Ste. Marie area,

- h) that the college would comply with instructions given by the university with respect to the subjects to be taught and to the way in which they would be taught in the college,
- i) that the college would conduct such examinations as directed by the university,
- j) that the college would pay the expenses of the university incurred in fulfilling its obligations and services under the terms of the affiliation agreement,
- k) that the college would maintain a qualified teaching staff for all subjects being taught, including a reasonable proportion of instructors holding degrees beyond the Baccalaureate level, and a qualified librarian; and further that, in order to maintain a qualified teaching staff, the college would discuss and consult with the university prior to making appointments to the academic staff of the college,
- l) that the college could offer instruction in courses other than those prescribed by the Senate of the university, it being understood and agreed that the university need not recognize or accept such additional courses in partial fulfillment of the requirements for the granting of a certificate, diploma or degree,
- m) that the agreement could be terminated by either of the contracting parties upon notice in writing to the other delivered at least one academic year prior to the date upon which termination is to take effect,

The affiliation agreement was executed by Messrs. L. Brown and H.G. MacAdam on behalf of Algoma College Association.

No amendments or alterations have been made to the agreement.

Although no evidence was adduced indicating serious flaws in the affiliation, proposals for certain amendments will be made in a subsequent report.

THE ORGANIZATION OF THE COLLEGE

The management and control of the Algoma College Association is vested in the Board of Directors of the Corporation. The Board is organized into a series of committees. Its officers include the Chairman, the Vice-Chairman, the Treasurer and the Secretary.

The Principal, Dr. Donald Watkins, is the Chief Executive Officer of the college. He is employed under the terms of an agreement dated February 11, 1975. The agreement is for a term of 5 years. Either party may terminate on the giving of one year's notice to the other.

The other officers of the college include the Registrar, the Business Manager, the Librarian, the Director of Athletics and the Public Relations Officer.

The academic policies of the college are under the supervision of the Academic Council, a body having equal representation from the faculty and the student body and including members of administration. The Academic Council was created by Faculty without formal recognition by the Board of Directors. It has, however, been accorded some recognition by the Directors and other officials of the college and has performed certain duties and functions for a period of several years.

In January, 1974, the Board of Directors of the corporation informally created a Board of Governors of the college and appointed persons to such Board. The management of the affairs of the college, as distinct from those of the corporation, were then delegated to the Board of Governors. Membership in the Board of Governors included faculty, student, Faculty Association and Alumni representation.

This action was repeated by the Board of Directors in January, 1975

and 1976 at its first meeting following the annual meeting of members of the corporation. As a consequence, substantially all the affairs of the college have been managed and supervised by the Board of Governors since January, 1974.

This delegation of authority, though undertaken for the laudable reason of broadening the basis of membership in the governing body of the college, was without legal basis and contrary to the provisions of the Ontario Corporations Act.

Further, the frequent delegation of power from time to time by the Board of Directors to its Executive Committee, was also undertaken contrary to the Statute.

I commented upon these improprieties in the course of the public hearings. One June 4th last, the Board of Directors, in response to my request, disbanded the Board of Governors and its own Executive Committee and resumed its proper duties in relation to administration of the business of the college.

Over the course of years, critical comments were made concerning the organizational structure of the corporation and the college. In response, the Board of Directors in 1973 commissioned a report to be made by Messrs. Peat, Marwick & Partners, management consultants, to undertake a management review. Their report, dated April, 1974, recommended major changes to be made in the organizational structure of the college.

No action was taken upon this report.

The structure and work of Academic Council has also been the subject of criticism by faculty and Board of Governors alike. The nature of the criticism was succinctly stated by Acting Principal Guth in a memorandum dated January 27, 1975, addressed

to the Board of Governors. The following reasons were given by Professor Guth for the inadequacy of the Academic Council:

- "a) it has failed consistently to deal with real, effective and timely academic planning and priorities,
- b) it has become a political forum, wasting much time with academically-irrelevant haranguing,
- c) the spirit of its representative nature is destroyed by having several departments fully represented,
- d) faculty on terminal appointments are involved in making long-range decisions and other decisions regarding which they have at least potential conflict of interest,
- e) student parity has demonstrably not worked,
- f) there is no effective leadership, follow-up of decisions or liaison with departments or with administration,
- g) committees, even if they are constituted, are not required to meet or report in any regular way."

In light of the evidence adduced in the course of the hearings, I adopt the foregoing analysis.

Briefly stated, the evidence adduced at the public hearings clearly indicated the inadequacy of the organizational structure, general and academic, of the college and the corporation.

Such an inadequacy contributed substantially to the breakdown of communications, lack of adequate financial and programme analysis and planning and other problems with which the college has been faced.

The organization, as presently constituted, is wholly incapable of dealing quickly and responsively with the financial, administrative and academic problems which now threaten the continued existence of the college.

REVIEW OF COLLEGE OPERATIONS1967 - 1976

Algoma College began its operations in September, 1967 at the site of Cambrian College in Sault Ste. Marie. This institution was later to become known as Sault College of Applied Arts and Technology.

It began under the Principalship of Dr. C.A. Krug. Although a full-time staff of 9 faculty was projected, a massive build-up of faculty members occurred and 21 persons were in fact engaged. The following table indicates the faculty complement:

1967-1968	21 full-time
1970-1971	23 1/3 full-time
1972-1973	38 full-time (2.7 sessional)
1974-1975	27 2/3 full-time (60 sessional)
1975-1976	31 1/3 full-time (48 sessional)

Seventy-seven students were enrolled in the first year. Attached hereto (Appendix F) is a table showing actual enrolment in the years 1967-1968 to 1975-1976 together with projections for the years 1976-1977 to 1980-1981.

Also attached (Appendix G) is a table indicating projected enrolments upon which original financing requirements and feasibility studies were based. The significant short-fall in expectations will be noted.

In 1968 Dr. Krug resigned as Principal and was replaced by Dr. Ian Brown who assumed the post as Acting Principal.

The college continued to share facilities with Sault College (formerly Cambrian College) until 1971 when, after numerous meetings with officials of the Department of University Affairs and others the decision was taken to depart the Sault campus. Shingwauk Hall, a residence for Indian boys constructed and owned by the Incorporated Synod of the Diocese of Algoma of the Anglican Church of Canada,

was leased for this purpose. The term of the lease was 10 years. It contained an option to renew for 5 years. Suitable renovations were made to the Shingwauk site and funded through a loan made by the Ontario Universities Capital Aid Corporation. The transfer was made in the summer of 1971.

When the college opened, its curriculum was restricted to first year offerings but shortly thereafter, in 1968, strong pressure was exerted by the college community to be permitted to expand to offer second and third years of the General Arts programme. In 1971 the Committee on University Affairs acceded to this request and second year was begun in 1971 and the third begun in 1972. No Science programmes were approved for financing by the Ministry, although some were offered.

In 1973 Dr. Brown was succeeded as Acting Principal by Professor Francis Guth. Professor Guth served in such capacity until June of 1975 when he in turn was succeeded by Dr. Donald Watkins as Principal.

In 1972 a decision was made to construct a separate library building at the Shingwauk site even though the college enjoyed only a leasehold interest in the land. The building was completed in 1973 for the price of \$316,000. Although this project was undertaken without the prior approval of the Ministry of Colleges and Universities, a loan was subsequently authorized by the Ontario Universities Capital Aid Corporation in the amount of \$301,900 to offset substantially the entire cost of construction.

In 1974 the college entered into negotiations with the Incorporated Synod for the purchase of the Shingwauk Hall site. Application was made to the Ministry for funding. Appraisals were obtained by both vendor and purchaser. The price of \$600,000 was agreed upon and the transaction was completed in May, 1975. The provincial government made an outright grant of \$500,000 on account of the purchase price. The grant was stated by the Minister of Colleges

and Universities to be conditional upon the college reimbursing the government from the proceeds of any sale of property located on the Fourth Line in Sault Ste. Marie previously purchased by the Association from funds donated by the city to the college.

The final item of major interest to be noted in this brief history of the college's activities relates to the establishment of the Interdisciplinary Science programme in the academic year 1975-1976. This programme was begun with high expectations. Unfortunately, enrolment projections were not met and, as will be indicated later in this report, the Board of Directors of the Association on June 4th last voted to suspend financing. The decision to terminate the program was impliedly concurred in by representatives of the faculty on June 16th last.

ENROLMENTS AND FINANCES

Significant shortfalls in projected enrolments for Algoma University College are noteworthy. They have vitally affected finances, program planning and have contributed to the adoption of certain academic practices which have produced major anomalies. These anomalies have produced tension and even bitterness.

The following projections were made in July, 1971 and subsequently amended on the dates indicated:

	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>	<u>1977-78</u>
July, 1971	380	628	701	781			
Dec., 1971		439	465	510	567	622	
Dec., 1972				320	342	370	390
Dec., 1974					265	295	325

The following data show the actual results:

<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>
329	275	257	217	220

The impact of these shortfalls upon finances is dramatically illustrated by the following figures indicating the Net Operating Income (and Losses) since establishment of the college:

	June 30, 1967	(\$8,000)
	June 30, 1968	(\$33,000)
	June 30, 1969	\$175,000
	June 30, 1970	\$247,000
	June 30, 1971	\$226,000
10 months	Apr. 31, 1972	\$48,000
	Apr. 31, 1973	(\$20,000)
	Apr. 30, 1974	(\$174,000)
	Apr. 30, 1975	(\$77,000)
	Apr. 30, 1976	(\$162,000)
projected	Apr. 30, 1977	(\$219,000)

At this point it is important to note that on December 4, 1972 Dr. Brown, in his capacity as Acting Principal, issued a memorandum

to the Budget Committee, Academic Council and the Finance Committee, Board of Governors. In it he said the following:

"....it must now be evident to everyone concerned that unless extreme caution is exercised, the college will face a grave financial situation next year, so grave that its continued existence in its present form may be brought into question."

He then noted a major decline in the rate of enrolment over a three-year period as follows:

	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>
First year full-time	227	202	158
Second year full-time	0	127	75
Third year full-time	0	0	63
Summer School - students	559	525	512
- courses	802	724	704
Winter part-time - students	950	849	716
- courses	1,272	1,072	926

Dr. Brown concluded that, under the provincial system of formula financing, the college had lost financial viability as a three-year institution.

He then said the following:

"We cannot risk a major operating deficit two years in a row: (a) unlike larger institutions, we do not have the reserve fund capability to cover such deficits, (b) we are not eligible for special assistance grants from government, (c) since our status is not confirmed the government can, given clear financial cause, phase us out, amalgamate us, reduce our programme, or turn us into an extension campus of another institution."

And further:

"We have to assume that we will attract and hold, sufficient students for purposes of our continued operation; at the

same time we must be realistic enough to avoid the kind of over-projection that could lead to financial disaster."

The emphasis is mine.

And further:

"In order to survive, the college has to retrench for a two-year period and wait for better times. It will not again be viable as a three-year institution and cannot expect any further form of expansion until its first year of enrolment consists of 225-250 students. In order for this to occur there will have to be a change in the present trend of provincial university enrolment, and we will need favourable decisions from the government in regard to our affiliated status, our range of under-graduate programmes, emergent university funding, and capital funding."

Thereafter, Dr. Brown undertook a careful analysis of the financial condition of the college as it related to academic programmes. He proposed a number of stringent measures as a means of coming to grips with the conditions which he described as an imminent, "grave financial situation", including the abolition of certain offices, reductions in academic staff and major curtailment of academic and administrative services.

In parentheses, I note that I found little evidence of any adequate response being made to the proposals made by Dr. Brown in his memorandum or to the conditions described therein by either of the Board or Academic Council. Indeed, as I have indicated earlier, the college continued in an expansionist mood. The reasons for this are obscure. I have surmised that they may relate to the ambitions for the college of those associated with the college, Board and Faculty alike, and their unwillingness to accept the realities of governmental policies relating to the financing of the Ontario university system.

That the conditions detailed by Dr. Brown continued in existence throughout the term of office of Professor Guth, as Acting Principal, is evidenced by the latter's letter dated January 27th, 1975 addressed to Dr. Watkins, his successor designate.

In that letter, Professor Guth began with the facetious, but as I took it to be, friendly observation:

"Let me be the first to congratulate you (and also to commiserate with you)."

Professor Guth then said:

"....statistics on enrolment are very ominous. I suspect we will be into faculty redundancy situations next year."

After detailing highly pessimistic figures relative to enrolment and financing, Professor Guth stated the following:

"I do not know how we get around these facts. The only way is to hope for additional government funding or to raise money locally."

In this observation, Professor Guth made reference to one of the themes which were voiced many times during the public hearings, namely, that the root cause of Algoma University College's problems lay in two factors:

- a) inadequate government financing, and
- b) the lack of an appropriate organizational structure.

For the reasons to be detailed later in this report, I reject both of these contentions.

The foregoing observations serve to negate a further point which was also made frequently during the public hearings. It was that Algoma's problems surfaced coincidentally with the appearance of Dr. Watkins on the scene as Principal.

I have found this to be incorrect. The institution's problems trace back, at the very least, to the commencement of conditions described by Dr. Brown in his perceptive and responsible memorandum. It was these conditions which produced the tension, uncertainty and turmoil which one independent witness described as a "battle ground" in the fall of 1973.

Having made these observations, my central concern is to determine how these conditions could have arisen and how they might have been avoided. In so doing we may prevent a recurrence in the future.

THE RELATIONSHIP BETWEEN ALGOMA UNIVERSITY COLLEGE  
AND THE MINISTRY OF COLLEGES AND UNIVERSITIES

Complaints were registered by former Acting Principal, Professor Guth, and by the Business Manager of the college, Mr. Tim Holmes, that the inadequate financing of the college operations by the government of Ontario and a lack of consistency on the part of the Ministry of Colleges and Universities were largely responsible for the difficulties experienced by the college. Indeed, on several occasions the government's policy was described as "unfair" and "inequitable" by several witnesses.

These complaints and charges require analysis.

The evidence discloses that in 1962, the original Committee on University Affairs advised representatives of Algoma Junior College Association, who had broached the subject of establishing a university in Sault Ste. Marie, that the government did not intend to establish any more free-standing universities. This statement of policy was reinforced by a declaration made by the then Premier, The Honourable John P. Robarts, and other senior officials of government.

In making such a declaration, the government stated that Laurentian University of Sudbury and Lakehead University of Thunder Bay had been designated the provincially-supported universities in Northern Ontario. The Association was urged to seek affiliation with one of them and it affiliated with Laurentian.

Despite these statements of government policy and the realities of university financing, the ambitions of the supporters of Algoma University College were such that, as recently as March last, a proposal was made by a committee of the Board of Governors that the college seek degree-conferring power, that is to say, it was proposed to seek university status.

Indeed, the adoption of the name, Algoma University College, indicated the persistence of this attitude. The use of the word "university" in the name of an educational institution is usually reserved to those holding degree-conferring powers. The Algoma governing body adopted the name despite the implied disapproval of the Department of University Affairs which, in 1967, suggested the name, Algoma College of Laurentian University.

The sharing of physical accommodation with Sault College, formerly Cambrian College, is a further case in point. Algoma College was urged, in order to conserve capital and operating costs, to develop a close liaison with the C.A.A.T. College and to share physical facilities with it so as to improve the economic feasibility of the total educational complex.

It would appear that, though some operational difficulties arose between Sault College and Algoma, the primary reason for the transfer to Shingwauk Hall was the desire of Algoma to have a separate and identifiable facility and image. Though there was no clear evidence on the point, I inferred from all the circumstances that the lease of Shingwauk was made to appear justified on the basis of expansion of the college. It soon took on the aspect of a total transfer of operations from Sault College to the new site.

Though I do not propose to undertake an extensive analysis of the wisdom of this decision, I would remark on the fact, in light of subsequent events, that the heavy investment in bricks and mortar severely limited the capacity of the college to invest in people and programmes. It also deprived it of the opportunity to share in the elaborate physical facilities of Sault College and to enjoy certain economies of scale.

In the matter of the construction of the library, I have already noted that the project was begun on land leased for a maximum term of only 15 years without an enforceable option to purchase and without approval from the government department. The wisdom of this decision must surely be questioned!

Turning to approval of academic programmes, the college was allowed to begin its academic offering upon the understanding that it would be limited to first year in General Arts in the Faculty of Laurentian University. It was understood that there would be a long period of 8 to 10 years of single-level courses. Despite this "flashing amber light", there was a "spate" of letters from concerned citizens urging the addition of second and third years immediately after the institution started in 1967.

Faculty, alleging that they had been recruited on the understanding that second and third year programmes would be offered almost immediately, lent strong support to these representations.

The Chairman on University Affairs expressed serious concern that the staffing and recruiting undertaken by the college in 1967 were not appropriate to a one-year operation. Pressure "came and went" over the next several years for expansion and in 1971, after only four years of operation, authority was given to undertake the offering of second and third year in 1971-72 and 1972-73 respectively.

It is perhaps ungracious to note that the important memorandum of Dr. Brown, dated December, 1972, was issued shortly after commencement of the full three-year programme.

More recently, the funding of the Interdisciplinary Science Programme provides a further illustration of the lack of realism which seemed to pervade all elements of the college concerning Ministry injunctions. In 1967, the college was authorized to proceed on the clear understanding that it would offer no Science programme. The reasons for this limitation appear obvious. Such programmes demand a heavy commitment of money, plant and equipment which could not then, and in light of current conditions, cannot now be justified at Algoma College,

This position was frequently stated by officials of government.

The commencement of the INSP was made upon the clear understanding with the Ministry that no capital funds would be made available to finance the programme and no increase in BIU weight would be allowed. In other words, the college undertook the programme within the resources then available to it.

The college accepted these conditions.

Yet, one year after the programme was instituted, many of its senior officials and faculty members, as well as persons within the community, complained about the unfairness and inequity of the decision which had been readily accepted only a short time earlier.

With regard to the charge that the government acted inconsistently, it is correct to say that on several occasions, notably in the case of the library construction and the Shingwauk Hall purchase, the government did, in fact, reimburse the college after the event. The college's "gamble", as President Monahan of Laurentian University characterized the policy, paid off.

It is not unfair or harsh to suggest that it ill becomes anyone to criticize the government on this account.

In analyzing the history of the college's relations with the government, I must acknowledge a strong compulsion to believe from the very outset of the college's undertakings that the Board, Faculty and significant elements of the community had determined to disregard the injunctions of the government in order to achieve their objectives. The final results were predictable to anyone exercising independent and objective judgment.

THE CLARKSON, GORDON & CO. REPORT

On April 12, 1976, I commissioned Clarkson, Gordon & Co., chartered accountants, and Woods, Gordon & Co., management consultants, to undertake a study of various matters relating to the academic and general administration of the college. Particular emphasis was given, in their terms of reference, to the costs of academic programmes.

A draft of their report was delivered to me on May 28 last and, because of its significance, I immediately made it available to officers and academic representatives of the college.

The final report was introduced in evidence on June 10 last.

The highlights of the report are summarized as follows:

- "1) the college faces a projected operating deficit in 1976-77 of \$219,000, which is \$140,000 more than its \$79,000 accumulated operating surplus at April 30, 1976, if it carries on all of its current plans.
- 2) because the Ministry of Colleges and Universities has stated there will not be an increase in the level of funding for the college, deficits in the order of \$200,000 will probably continue for some years,
- 3) in order to balance resources and costs, some programme cut-backs appear to be essential."

The report dealt with the following matters:

- 1) student market and post-secondary education in the Sault Ste. Marie region,
- 2) organization of staff,
- 3) planning and budgeting procedures,
- 4) systems and procedures,
- 5) detailed course costing,

- 6) building facilities and maintenance,
- 7) analysis of historical and projected financial information,
- 8) audit relationship.

In response to the contents of the draft report, the Board of Directors of the Corporation on June 4 last withdrew financial support for the Interdisciplinary Science programme. This action had the immediate effect of avoiding the expenditure of approximately \$70,000 of so-called free funds and the engagement of two senior faculty members.

Reluctantly, the faculty accepted this decision a short time later.

In reporting these decisions, I feel constrained to speak a word concerning the programme. Whatever may be its merits in attracting fresh students to the university, the academic persons responsible for its development, Professors Keppel-Jones and Gardiner are to be commended for their hard work and dedication. Each was, and continues to be, convinced that it can become a viable programme and will assure the long-term stability of the college. It is unfortunate that the programme should have been launched at a time when the state of severe financial exigency prevented its continuation.

The contents of the Clarkson, Gordon & Co. report proved controversial and certain aspects of it drew criticism.

Nevertheless the clear, incontrovertible picture presented in the report is that a state of extreme financial exigency exists within the college. It indicated, beyond doubt, that drastic measures must immediately be taken in order to reverse the accelerating trend toward insolvency. What these measures should be must be left to the leaders of the college

and the community, exercising their wisdom and skills in a clear-headed, responsible and realistic manner.

FREE FUNDS AND THE FINANCING  
OF ANCILLARY OPERATIONS

Free funds, as distinguished from monies derived by a university from Provincial Operating Formula financing, are funds derived from grants, gifts, donations and miscellaneous income which are not earmarked for, or restricted to a specific use. They are often used by universities to finance so-called ancillary enterprises. Provincial formula funds may not be used for such purposes.

Prior to commencement of the inquiry, it was alleged that the college had improperly employed formula funds to finance scholarships, the operations of the Ahbenooje Nursery School, the Algoma Conservatory of Music, to effect repairs to premises occupied by the Keewatinung Institute, and to undertake other non-approved operations.

I found these allegations to be incorrect. All of these operations were financed by employing so-called free funds and not formula funds.

Clarkson, Gordon & Co., in its review of finances, determined that at 30 April, 1975, the college had the following free funds available to it:

Municipal Grants	\$220,000
Interest	90,459
Gifts for Operating	29,450
Scholarships, Donations of 1973-75 as expended, shown in trust funds	18,843
Miscellaneous income	<u>33,204</u>
TOTAL	\$391,956

There were accretions to the foregoing during the year ended 30 April, 1976.

Though the grant from the City of Sault Ste. Marie may be considered free income, there may be considered to be certain implied restrictions attached to its use. Accordingly, for the purposes of this report,

the grant will not be included in the amount of money available for application to ancillary enterprises. Thus, the sum of \$171,956 remained available at 30 April, 1975 for such purpose.

To date 30 April, 1975, the following non-approved costs were incurred:

Keewatinung Institute	
(negligible) say	\$ 5,000
Ahbenooje Nursery School	6,615
Coffee Shop	4,491
Bookstore	30,040
Intercollegiate athletics	
(negligible) say	3,000
Algoma Conservatory of Music	22,000
Scholarships	<u>90,183</u>
TOTAL	\$162,022

Accordingly, at 30 April, 1975, there were sufficient free funds available to cover the costs of the foregoing ancillary enterprises and such funds may be considered to have been so applied.

Though final audit figures relating to free fund income and ancillary operations expenditures for the year ended 30 April, 1976 were not available for inclusion in the Clarkson, Gordon & Co. report, it is not expected that the free fund would have been exhausted at such date.

I conclude this review by noting that although the allegations were not proved, meticulous care must be taken in the future by the college to avoid use of formula funds for ancillary operations and inordinate encroachments upon free funds for such purposes.

CERTIFICATION OF THE FACULTY ASSOCIATION  
AS COLLECTIVE BARGAINING AGENT

The Algoma University College Faculty Association was certified to be the bargaining agent of all full-time academic staff of Algoma University College by order of the Ontario Labour Relations Board evidenced in a certificate issued by the Board dated the 24th day of March, 1976.

Certification of the Faculty Association as collective bargaining agent for the faculty under the provisions of the Labour Relations Act adds a new dimension to administration of the college which requires careful consideration.

Special attention must be directed to the role and function of the Board of Governors; the Academic Council the Faculty and Administrative elements of the college. These are very large questions and cannot be resolved in an atmosphere of tension and conflict.

These considerations, together with the general state of disarray within the college, further support the recommendation for immediate action contemplated by this preliminary report.

Already, a question has arisen out of the certification of the Faculty Association which has caused anxiety and concern.

In November, 1975, after application had been made by the Faculty Association for certification, the Board of Governors of the college unilaterally suspended certain academic policies. Thereafter, it authorized the Principal to serve notice upon Professors Francis Guth and Richard Bazillion that their employment as full-time members of faculty was terminated.

Professor Guth and Bazillion lodged a complaint with the Labour Relations Board under Section 79 of the Labour Relations Act alleging that the Board of Governors had acted contrary to the provisions of the Act by altering working conditions after the filing of the Application for Certification.

The correctness of the Professors' complaint was acknowledged by the Board of Governors when it subsequently notified the Labour Relations Board that the terminations had been rescinded.

Thereafter, Professors Guth and Bazillion withdrew their applications to the Labour Relations Board.

COLLEGE STAFF POLICIES

A series of staff policies have been adopted from time to time by the Academic Council and subsequently approved by the Board of Governors and/or the Board of Directors of the college and the corporation. They are as follows:

a) Support Staff Policy

The Support Staff Employment Policies of Algoma University College, contained in a memorandum dated July, 1974, were approved by the Board of Governors on July 19, 1974.

b) Policy on Promotion

The Policy on Academic Promotion, passed by the Algoma University College Faculty Association on June 18, 1974, was approved as an interim policy by the Board of Governors on July 19, 1974 until such time as the college appointed a permanent principal, for use as a basis on which to deal with applications for promotion then on hand.

c) Redundancy Policy

The Policy on the Release of Faculty Due to Financial Exigency or to Changes in Academic Programming was approved by the Board of Governors on December 19, 1974 to be reviewed prior to September 1, 1975.

d) Policy on Sabbatical Leaves

The Policy on Sabbatical Leave dated February 27, 1975 was approved by the Board of Governors on March 13, 1975.

e) Travel and Research Policy

The Travel and Research Policy dated March 19, 1975, as agreed upon by a joint committee of the Board and Faculty, was approved by the Board of Governors on July 17, 1975 for implementation for the 1975-76 college year, subject to amendment for 1976-77 based upon experience in the operation of the policy during the 1975-76 college year.

f) Policy on Tenure

The Policy on Tenure and the Committee on Academic Freedom and Tenure was approved by the Board of Governors on June 20, 1974, subject to suitable provision for reduction of staff when staff becomes redundant.

It is observed that all the foregoing policies were adopted by the Board of Governors following its creation in January, 1974. At the time of adoption, the Board enjoyed no power or authority. Although all acts of the Board of Governors, as recorded in the Minute Book of the corporation, were ratified, approved and confirmed by the Board of Directors at a meeting held on June 4th, 1976 there continues to be a question concerning the validity of the adoption of the foregoing policies.

THE POSITION OF THE PRINCIPAL

Dr. Donald Watkins was engaged as Principal by contract dated the 11th day of February, 1975. He subsequently took up his full-time duties on July 1st, 1975.

In an exchange of correspondence between Dr. Watkins and Acting Principal Guth in January and February, 1975, the seriousness of the problems facing the institution and the need for bold remedial action was clearly indicated. Dr. Watkins was appointed for such purpose and it is clear that the instructions received by him from the Board of Governors were to take stringent measures to correct the problems facing the college.

The difficulties faced by him were, in my judgment, insurmountable. On the one hand, he was instructed by the Board of Governors to take strong measures to correct the many serious financial, administrative and academic problems. On the other, he was confronted by an anxious and restive faculty who were, understandably, seriously concerned about their academic programmes and personal security.

Many of the submissions and a large amount of evidence received during the public hearings criticized the administration of the Principal. It was clear from the evidence that even before he took up his office, major differences of opinion had developed between him and certain members of the faculty. In September, 1975, two months following his appointment, the Academic Council adopted a resolution reflecting grave concern over certain aspects of Principal Watkins' administration. In April of 1976 a want of confidence motion was adopted by the Council and a recommendation sent to President Monahan of Laurentian University requesting Dr. Watkins' replacement by the Dean of Arts and Science of that institution.

I do not consider it to be a reflection upon Dr. Watkins that he was unable to discharge the mandate imposed upon him. Indeed,

I adopt the position of Commission Counsel in his summing up at the conclusion of the public hearings. He refrained from commenting upon Dr. Watkins' performance as a principal.

Rather, Mr. Hull said that while the good news given Dr. Watkins upon his appointment was that he was assuming an interesting and challenging position, the bad news was that his appointment was on the Titanic.

ADMINISTRATION OF LIBRARY AND THE GENERAL OFFICE

Before proposing recommendations of a specific and interim nature, I would comment upon two elements of college administration; namely, the business office and the library. It appears clear that the office management and its procedures are well and capably undertaken by Mr. Tim Holmes, the Business Manager. The operations of the library appear to be satisfactorily undertaken by the Librarian, Professor Iain Bates. Specifically, I could find no basis for the criticism given in evidence concerning Professor Bates. Indeed, it appears that he is well regarded by his staff and has operated an efficient library whose facilities and collection are beyond those one might expect in an institution the size of Algoma University College.

THE RAJPUT CASE

Although the case of Dr. M. Akram Rajput was given wide publicity prior to institution of the inquiry, no reference was made to it in the course of the public hearings since it was under adjudication in accord with the provisions of the Ontario Human Rights Code.

In the interests of completeness, I make brief reference to it in this report.

A complaint was lodged by Dr. Rajput to the Ontario Human Rights Commission alleging discrimination in employment because of race, colour, nationality, ancestry and place of origin against the Principal and Algoma University College. The complaint arose out of the Principal and college having failed to appoint him to a position in the Department of Sociology for the academic year 1975-76.

A Board of Inquiry was established under the Chairmanship of Professor Walter S. Tarnopolsky who, on May 12, 1976, found the Principal and the college to be in breach of the Code and ordered financial compensation to be paid Dr. Rajput.

At this date, an offer of employment to the position previously advertised has been made to Dr. Rajput with the approval of the Appointments Committee of Academic Council, the Principal and the Board of Governors.

COMPLAINTS AND ALLEGATIONS

Soon after my appointment I became aware, through media reports, interviews conducted by my staff, anonymous letters and other sources, of allegations made against the Board of Directors and Board of Governors of the Corporation and the college, certain of their officers and the Principal of the college. Some of these allegations were of a generalized nature regarding the financial and general administration of the college and the corporation. Others alleged specific acts of misfeasance and nonfeasance.

The allegations included the following:

- 1) failure of the college authorities to undertake appropriate management of its financial and general administration,
- 2) the inadequacy of financial and academic planning leading to the termination of employment of certain academic persons,
- 3) the general breakdown of communication between faculty and administration,
- 4) the collapse of morale amongst faculty of the college,
- 5) the lack of responsiveness on the part of the Board of Directors and Board of Governors of the corporation and the college and their lack of accountability by reason of the nature of their composition,
- 6) the methods of operation by the Board of Directors and the Board of Governors of the corporation and the college, particularly with respect to the delegation of authority to their respective executive committees,
- 7) the arbitrary suspension of academic practices by the Board of Governors of the college and problems arising therefrom,
- 8) the failure on the part of the Board of Directors and the Board of Governors of the corporation and the college to apply for all available government grants,
- 9) the use of operating funds to support ancillary enterprises including the Algoma Conservatory of Music, the Ahbenooje Day Care Nursery and the Keewatinung Institute,
- 10) the construction of the library on short-term leasehold property,

- 11) the non-compliance by the college with the terms of the affiliation agreement between Laurentian University and Algoma College,
- 12) the use of formula funds for scholarships,
- 13) the impropriety of the incorporation of Algoma College Association and in particular, the reduction of the membership of Algoma Junior College Association following incorporation of the former body,
- 14) the establishment of the Board of Governors of Algoma University College and the delegation of authority by the Board of Directors of Algoma College Association to the Board of Governors.

I have commented upon each of the foregoing allegations elsewhere in this report. In so doing, I have found that although certain of the facts alleged were correct, they did not support the suggestion of impropriety or male fides implied by the allegations.

In all cases, I have found nothing to reflect upon the good faith of any of the persons against whom the allegations were directed.

In addition to the foregoing generalized complaints, a number of allegations relating to specific nonfeasances and misfeasances were made. These included the following:

- 1) maladministration of the faculty pension plan,
- 2) the theft of money and property from Algoma University College and the Algoma Conservatory of Music during the period from July, 1972 to May, 1974,
- 3) the failure on the part of the Board of Directors and the Board of Governors to apply for all available government grants,
- 4) the unauthorized gift of paintings to members of a government commission in the year 1972,
- 5) the misuse of monetary donations made by the City of Sault Ste. Marie to Algoma College Association,
- 6) the failure to include an appropriate dissolution clause in the Letters Patent of incorporation, to prevent distribution of assets among members upon dissolution,

- 7) the failure to obtain an enforceable option to purchase Shingwauk Hall in 1972, the method of determining the sale price of the property and the conflict of interest of the Chairman of the Board of Directors of Algoma College Association relating to the purchase arising out of his position as Chairman of the Anglican Diocesan Property Committee.

With regard to the foregoing allegations, I make the following findings:

- 1) The Pension Plan

Prior to June, 1975 Laurentian University decided to amend its pension plan for members of its faculty, which included members of the faculty of Algoma University College. The Board of Governors of the College decided to withdraw from the Laurentian plan since it could not afford to fund the changes proposed by Laurentian. The Board instructed its consultants, Peat, Marwick & Partners, to prepare a new pension plan for members of the Algoma faculty whose terms would be the same as those enjoyed by them under the Laurentian plan prior to June 30, 1975. An inordinately long delay occurred in the preparation of the new plan. The precise reasons for the delay are difficult to determine but apparently relate to the inability of the consultants to obtain required information and their own delay in dealing with it in timely fashion. In any event, questions raised by members of faculty were not answered, thus breeding suspicion and concern.

This lack of communication resulted in speculation and rumour which ultimately led, quite unnecessarily, to an investigation being undertaken by the Sault Ste. Marie police force and the Ontario Pension Commission.

Evidence introduced in the course of the public hearings indicated clearly that no loss was suffered by Algoma College faculty members in the transition from the Laurentian Plan to the new pension programme. The new

programme was completed in the course of the hearings and steps are now being taken for its implementation.

It is most unfortunate that the break-down in communication and the delays encountered in the preparation of the new plan for Algoma faculty members should have resulted in such tension, suspicion and concern. In making this observation, I must reflect criticism upon those who contributed to the lack of communication and delay. There is, however, no suggestion of impropriety or misconduct on their part.

## 2) Theft of Funds

Evidence disclosed that during the period commencing July, 1972 through May, 1974 approximately \$13,372.72 disappeared from the General Accounting office in Shingwauk Hall. In addition, the sum of \$3,500 was stolen from the Algoma Conservatory of Music. These incidents were investigated by the Sault Ste. Marie police force. No person or persons were identified as responsible for the losses which had been discovered by Mr. Tim Holmes upon his assumption of duties as Office Manager.

During the period in question, Mr. B. Carruthers, Treasurer of the corporation, acted as Accountant and was responsible for operations within the college business office. He also had responsibility for the accounting function in Algoma Conservatory of Music, a separate corporate entity associated with the college.

The evidence disclosed that the disappearance of the funds was attributable to several factors including the lack of adequate staff, poor security, the lack of a safe, and a multiplicity of filing cabinet keys. All of these deficiencies were attributable to an attempt upon the part of the Board of Governors to reduce expenditures or, as it was phrased in evidence, to do things, "on the cheap".

A claim was made against the corporation's insurers and approximately fifty per cent of the losses were recovered.

Since the appointment of Mr. Holmes, the Business Office has been operated in an efficient and effective manner.

I find that the foregoing losses were, in part, attributable to the decision of the Board of Directors to effect economies in the general operation of the corporation. Though I consider it to have been unwise on their part to have sought economies in so vital an area of the corporation's operations, I cannot find that this is a basis for attributing impropriety or bad faith to them. I would further observe that no personal responsibility should attach to the Treasurer who served as Accountant on a part-time basis and who was entitled to rely upon the care and efficiency of those employed by him.

3) Failure to Apply for all Available Government Grants

I found no basis whatsoever to support this allegation. To the contrary, the Board of Directors and the administration of Algoma University College pursued every avenue open to them to obtain additional funding. I dispose of this allegation by repeating the words of the Assistant Deputy Minister of Colleges and Universities who said in evidence:

"They (the college authorities) most certainly came for everything they were entitled to and there was no holding back in any way, shape or form."

4) The Unauthorized Gift of Paintings in 1972

The evidence disclosed that the gift of paintings to the value of \$556.40 by Mr. Lawrence Brown, Chairman of the Board of Directors of the corporation, in 1972 to two members of a government commission was made in partial compensation for services rendered by such persons. The gifts were in the nature of an honorarium, and the services rendered by such persons were of a value far exceeding the cost of the paintings. Though the gifts were an appropriate gesture of gratitude, I consider it would have been desirable for Mr. Brown to obtain authorization from his Board of Directors. In making this observation, I imply no suggestion of misconduct.

5) Misuse of Monetary Donations made by the City of Sault Ste. Marie

I previously referred to the grants made by the City of Sault Ste. Marie to the college in the chapter entitled, "Free Funds". A portion of the monies were used to purchase the so-called "Fourth Line Property" as a site for a future campus of the college. This property is retained in the ownership of the corporation.

The remainder of the grant is referred to in the chapter entitled, "Free Funds". There would appear to be no special requirements imposed upon the corporation in the use of these funds. In any event, they have been retained intact and presently represent a substantial asset of the college. As such they are available for the future purposes of the institution.

Accordingly, I can find no substance in the allegation that municipal grants were misused.

6) Dissolution Clause

It is customary for corporations incorporated without share capital to include provision in their Letters Patent of Incorporation for the distribution of their assets, upon dissolution, among organizations having cognate or similar objects. The effect of this provision is to avoid such assets being distributed among members of the corporation following its winding up.

Indeed, such a provision is usually a requirement for registration as a Charitable Organization by Revenue Canada under the provisions of the Income Tax Act.

It is not uncommon however that such a clause is omitted through inadvertence or oversight in the Letters Patent of Incorporation. I assume this to have been the case in the incorporation of Algoma College Association.

In any event, I propose to recommend that appropriate steps be taken to correct this matter in order to assure that, in the event of dissolution, the property and assets of the corporation will be transferred to a corporation having similar objects within Northern Ontario.

7) Shingwauk Hall

Questions were raised as to the failure of the Board of Directors of the corporation to obtain an option to purchase Shingwauk Hall in 1972, to the propriety of the purchase price of the property in 1975 and to the matter of the Chairman of the Board of Directors, Mr. Lawrence Brown, having a conflict of interest by reason of his Chairmanship of the Property Committee of the vendor.

Evidence disclosed that the corporation originally leased Shingwauk Hall for a term of ten years, subject to an option to renew for a further period of five years, commencing on the 1st day of July, 1971. The property was subsequently purchased on the 9th day of May, 1975 for the sum of \$600,000.

In a letter dated May 4, 1972 from Mr. W. Wadley, Treasurer of the Incorporated Synod of the Diocese of Algoma, to the corporation, it was indicated that the Property Committee of the Diocese would recommend to its Executive Committee that the Diocese grant to the college an option for one year to purchase the site for the sum of \$500,000. Reference was again made to an option to purchase the site for such price in a document dated May 1972 entitled, "Renovation and Capital Fund Requirements, 1971-72, 1972-73, Algoma College, Sault Ste. Marie".

No evidence was led to indicate the reason for an enforceable option not being obtained by the corporation. In any event, the period of one year expired long before any consideration was given to the purchase of the site.

An option was eventually granted to the corporation on the 22nd day of January, 1975. The price set out in this option was \$600,000. Such price was based upon an agreement between the parties based upon valuations obtained by each from qualified evaluators. The value established by the firm engaged by the Incorporated Synod was \$779,400 and that of the firm employed by the corporation was \$736,000.

The valuations appear to have been properly made. I note that the valuation prepared by the corporation's valuers specifically took into account the value of improvements made to the site by the corporation.

Since the sale price was substantially below each of the valuations, it must be assumed that the corporation was justified in paying the purchase price.

Insofar as the failure to obtain an enforceable option in 1972 is concerned, I must assume that neither party considered it appropriate to formalize the suggestion contained in Mr. Wadley's letter. In any event, since the option was to be for a term of only one year, it had no bearing upon the ultimate disposition of the property.

In passing, I note it was given in evidence that the increase in value of the property from \$500,000 to \$600,000 during the period 1972 to 1975 was attributable to increased land values in the area.

With regard to the alleged conflict of interest on the part of Mr. Lawrence Brown, I rely upon the evidence of Mr. John Stubbs who stated emphatically that Mr. Brown scrupulously avoided any involvement in the transaction from the point of view of the college. Accordingly I find that this allegation was without foundation.

In making the foregoing findings, I hope that I have cleared the air and remedied any possible damage to the reputations of the persons whose conduct was called into question. In so doing, I comment upon the unfortunate circumstance involving persons who render services gratuitously to public service organizations having their conduct called to account in this fashion. The making of public allegations of such a nature obviously tends to discourage worthy persons from offering themselves for public service.

The appropriate forum for raising such questions is the Board of Directors of the corporation and annual meetings of the members thereof.

I appreciate that a central concern to many who urged the undertaking of the inquiry, lay in the fact that the Board of Directors and Board of Governors of the association and the college and the membership of the corporation were not representative of the community. Without acknowledging the correctness of this allegation, I recognize it as a question to which I must direct my attention when recommending an appropriate structure for the corporation and for the college, so that there may be a proper vehicle for considering the questions giving rise to the allegations with which I have dealt.

GENERAL CONCLUSIONS

At the conclusion of the intensive review undertaken by my staff and the consultants engaged to assist the inquiry and upon completion of the public hearings, I make the following general comments and observations:

- a) that the staff of the college who have appeared as witnesses or who have been interviewed by the staff of the Commission, have all demonstrated a strong commitment to and concern for the college and the Sault Ste. Marie and Algoma District communities. Many, however, expressed strong disapproval of anomalous academic practices which have developed over the years;
- b) that the members of the Board of Directors, and in particular, Messrs. Brown, Hogg, Carruthers, Derby and Stubbs have served the interests of the college and the community with dedication and sincerity, at considerable personal sacrifice, and have at all times acted in good faith out of a sense of community service;
- c) that the Academic Council, established on an ad hoc basis, was correctly characterized by Professor Guth in his memorandum of the 27th day of January, 1975, as being wholly inappropriate to undertake academic planning on behalf of the college;
- d) that many persons connected with the college, including the Faculty, Administration, Governors and interested citizens have, in their enthusiasm to serve the Sault Ste. Marie and Algoma District communities, failed to take into realistic account the nature and resources of the community, and the funding available to the college;
- e) that, by reason of major defects in the structure and procedures of the college and the pressure of financial exigency upon persons, there has been a total breakdown in communication and cooperation between the several elements of the college;

- f) that, Principal Watkins' position, difficult from the commencement of his term of office, has become untenable and he has, for reasons for which he may not be responsible, lost the confidence of the academic staff as Chief Executive Officer of the college.

These findings reflect the great misfortune that the considerable resources of the college and the community have not been harnessed to produce a viable institution. The present situation reflects serious problems arising from a lack of communication, a lack of coordinated planning, a failure on the part of academic and financial leadership, a lack of realism and a failure or inability to tackle the financial, administrative and academic problems of the college. Clearly, major remedial action must be taken immediately and without delay if the college is to survive, and if enormous "people" problems are to be avoided.

THE CAMERON REPORT

Dr. David Cameron of the School of Public Administration, Dalhousie University, Halifax, Nova Scotia, has been commissioned by the Ontario Economic Council to study post-secondary education in northern Ontario.

His draft report is expected to be delivered early in July, 1976.

It may contain comments and recommendations relating to the role of Algoma University College in the Ontario University system. For this reason, I consider it desirable to postpone my delivery of a final report until after Dr. Cameron's study is completed.

REASONS FOR OPTIMISM

Since commencement of the public hearings, it can be fairly said that the following have occurred:

- a) that there has been a new sense of realism injected into the college's affairs and an awareness of the enormous financial and planning problems with which the institution is faced,
- b) that there has been a positive response to the college from many elements of the community and a recognition of the need for harnessing all the resources of the community to support the affairs of the college,
- c) that a need has been recognized for the review of programmes, identification of redundancies, the introduction of economies of operation, and
- d) that the need has been recognized for undertaking short-range planning to avoid the financial collapse of the college, and for long-range planning to ensure its continued survival.

With these considerations in mind, and in recognition of the fact that the existing structure, procedures and academic and administrative bodies are unable to communicate and respond quickly and efficiently to perceived dangers, I propose that an interim trusteeship be appointed in order that it may take immediate action to assure recovery of the college from its present problems and to institute appropriate proceedings to plan for the future.

This proposal will be detailed later in this report.

TRUSTEESHIP: A TRANSITIONAL ADMINISTRATION

In light of the circumstances revealed during the inquiry, I am satisfied of the need for immediate action to assure that studies may be begun and quick action taken to restore the college to a financially and academically viable condition.

I am convinced that such action cannot be undertaken within the present structure and procedures. These would continue the existing breakdown of communications and morale, lack of responsiveness, and perpetuate the present destructive conflict and tensions within the college.

A fresh start must be made.

Accordingly, the proposals which follow contemplate the appointment of an interim administration which will commence to function immediately and continue throughout the coming academic year. It would serve for a period which should not extend beyond June 30, 1977, at which time it would conduct an orderly transfer of authority to a newly-created permanent administration.

The permanent administration, when installed, must be broadly representative of and accountable to the community. It must function within a structure which assures appropriate balancing of interests within the college and the conduct of its affairs in a cooperative and collegial manner by knowledgeable and informed persons.

However, I am satisfied that the present financial, administrative and academic crises do not permit the immediate establishment of a permanent structure and administration. For this reason, I have proposed a period of transition.

I believe that those persons within the college community and members of the public who have become knowledgeable about the

true state of affairs within the college and the need for quick remedial action, will support these conclusions and approve the proposal for a period of transition under an interim administration.

Accordingly, I am proposing the disbandment of the existing major elements of the corporation and the college; namely, the Board of Directors, the Academic Council and the Membership of the corporation for a period which should not exceed one year. In substitution for such bodies, I am proposing the appointment of a Board of Trustees in which all powers and authority relating to the affairs of the corporation and college would be vested.

I am further proposing that, during such period, the duties and powers of the principal as Chief Executive Officer of the college be transferred to the Chairman of the Board of Trustees.

I recommend that the Chairman be a person who has achieved distinction as an academic and as an administrator within the Ontario University system. I further recommend that one of the remaining members of the Board of Trustees be drawn from the tenured faculty of the college and the other from the membership of the Board of Directors or Board of Governors of the corporation and the college as such membership existed on January 9, 1976.

These persons would immediately assume administration of the college and begin the process of financial and academic planning required to restore the college to a state of balance.

In the meantime, I would propose to prepare a further report upon the findings made by me in the course of the inquiry. This report will set forth a series of guidelines relating to specific areas of concern, which may be useful to the trustees in discharging

their duties of office. This report would be submitted on or about July 31st next. I would undertake to be available to the Trustees for consultation from time to time. Toward the end of their term of office, I would consult with them to obtain their suggestions regarding the nature of the permanent structure and procedures to be instituted for the administration of the corporation and the college. Thereafter, I would prepare and submit my final report for delivery not later than June 30, 1977.

RECOMMENDATIONS

I have considered several courses of action to deal quickly and effectively with the severe problems facing Algoma University College.

These include the following:

- a) that the Lieutenant Governor make an order cancelling the Letters Patent of Algoma College Association and declaring it to be dissolved in accord with the provisions of Section 347 (1) of the Corporations Act RSO 1970 C 89, or
- b) that the Lieutenant Governor direct the Minister of Consumer and Commercial Relations to issue Supplementary Letters Patent providing for required changes in the structure of Algoma College Association and the composition of its several elements.

I consider that resort should be had to the first of these proposals only in the event of other methods resulting in failure. Dissolution of the corporation would effectively remove its management and control from the hands of the local community. The final result would involve the realization of one of the extreme possibilities referred to in the memorandum of Acting Principal Brown dated December 4, 1972; namely, the conversion of Algoma University College into an extension campus of another institution.

I would not choose to consider this proposal unless I was fully satisfied that none other could be adopted and proved effective.

I would also be reluctant to recommend the second proposal. Although it would avoid outright dissolution of the corporation, it would nevertheless imply government interference and involvement in the affairs of a university. Even though such action might be justified on the grounds of public interest, I would not wish to see it undertaken, except as a last resort. The tradition of independence and autonomy enjoyed by Ontario Universities ought not to be breached unless and until all other remedial measures

have been tried and failed. I would also comment upon the fact that it is doubtful whether, upon the authorities, the Lieutenant Governor enjoys the power to undertake such action.

In light of these considerations, I would offer a third proposal, namely, that the Lieutenant Governor-in-Council urge the Board of Directors and other elements of Algoma College Association and Algoma University College to undertake voluntarily the steps which I consider urgently necessary to restore stability to the college.

Specifically, I recommend that a request be made on behalf of the Lieutenant Governor-in-Council to the Board of Directors and members of Algoma College Association to make application to the Ministry of Consumer and Commercial Relations for the issue of Supplementary Letters Patent providing for such changes in the structure and composition of the several segments of the corporation, as are hereinafter recommended in this preliminary report.

The adoption of this course of action by the Lieutenant Governor-in-Council, rather than the others which I have proposed, would provide the leaders of Algoma University College, its Board of Directors, Principal, Faculty and Students to make a demonstration of their desire and determination to take appropriate and timely steps to restore the college to good health.

It would also permit, through voluntary action, the local community to demonstrate its capacity to retain control of the corporation and the college after completion of the transitional period which I contemplate, and which I believe is absolutely essential to the survival of the college as a viable institution.

I recommend, therefore, that the Lieutenant Governor-in-Council propose to the Board of Directors and Academic Council of Algoma College Association and Algoma University College, as a means of establishing an interim period of trusteeship for the administration of the college, that the Board of Directors immediately apply to

Her Honour, The Lieutenant Governor, for Supplementary Letters Patent to provide for the following:

- 1) that all persons who are members and Directors of the corporation as of the date of issue of the Supplementary Letters Patent, shall cease to be members and Directors,
- 2) that all persons who are members of the Academic Council of Algoma University College as of the date of issue of the Supplementary Letters Patent shall cease to be members thereof,
- 3) that the number of Directors be reduced from 15 to 3 and that a majority of the Directors constitute a quorum for the transaction of business,
- 4) that 3 persons be named by Order-in-Council as members and Directors of the corporation; one of such persons, being a person who has achieved distinction as an academic and as an administrator within the Ontario University system, to be appointed Chairman of the Board of Directors and President of the Corporation; one of such persons to be a tenured member of the Faculty of Algoma University College and the other such person to be a person who was a member of either the Board of Directors or the Board of Governors of the Algoma College Association or Algoma University College as at January 9, 1976,
- 5) that in the event of an equality of votes at any meeting of the Board of Directors, the President of the Corporation shall have a casting ballot,
- 6) that the Board of Directors shall manage the affairs of the Corporation and enjoy all powers, authority and privileges, and assume all responsibilities as are conferred upon the Board of Directors under the provisions of the Corporations Act, R.S.O. 1970 C89 as amended; provided that the Board shall be named and styled the Board of Trustees,
- 7) that the duties and powers expressly or impliedly conferred upon the Academic Council by authority of the Board of Directors, or assumed by the Academic Council by custom,

usage or otherwise, be transferred to and vested in the Board of Trustees,

- 8) that, as of the date of issue of the Supplementary Letters Patent, the office of Principal shall be declared vacant and all of the powers, duties, rights and obligations of such office shall be transferred to and shall be vested in the President of the Corporation,
- 9) that upon dissolution of the Corporation, any assets remaining after the payment and satisfaction of its debts and liabilities shall be transferred to an organization or organizations within Northern Ontario, having cognate or similar objects,
- 10) that the tenured member of faculty serving, for the time being, as a member of the Board of Trustees, be not, by virtue of such appointment, excluded from the bargaining unit described in the Certificate issued by the Ontario Labour Relations Board dated the 24th day of March, 1976 whereby Algoma University College Faculty Association was certified to be the bargaining agent of all full-time academic staff of Algoma University College,
- 11) that the resolutions adopted by the Board of Governors on the dates and relating to the matters hereinafter set forth, be ratified, approved and confirmed:
  - a) support staff employment policy - 19 July, 1974,
  - b) policy on promotion - 19 July, 1974,
  - c) policy on the release of faculty due to financial exigency or to changes in academic programming - 19 December, 1974,
  - d) policy on sabbatical leaves - 13 March, 1975
  - e) travel and research policy - 17 July, 1975
  - f) policy on tenure and the Committee on Academic Freedom and Tenure - 20 June, 1974,
- 12) that the office of Senior Consultant and Assistant to the President be established, having such duties and responsibilities as the Board of Trustees may from time to time determine,

- 13) that a body, to be known as the Advisory Council to the Board of Trustees, be established having a membership not in excess of 8 in number, to be appointed by the Board of Trustees, upon such terms and conditions, and to undertake such duties, including the proposing of policies relating to development, fund raising, alumni affairs, recruiting and outreach into the community, as the Board may determine,
- 14) that the Board of Trustees submit, from time to time, or upon request being made therefor, a report relating to the administration of the affairs of the corporation and Algoma University College to the Commissioner appointed by Order-in-Council O.C. 616/76 approved by Her Honour, the Lieutenant Governor on the 10th day of March A.D., 1976.

I would emphasize, in proposing the foregoing, that it provides for an interim and transitional administration of all aspects of the affairs of the corporation and college by a small group of competent and responsive trustees for a period terminating not later than June 30, 1977.

The composition of the Board of Trustees assures appropriate emphasis being given to academic and financial planning through the Chairman. It assures representation by both the faculty of the college and the community, as well as continuity of experience through the appointment of the remaining two members.

The small size of the Board of Trustees permits responsive and quick action to be taken to meet exigencies as they arise. The creation of the Advisory Council, to which I would expect a representative group of persons from the college and the community to be appointed, by the trustees, would provide them with advice and assistance in important areas. Finally, confirmation of the academic and support staff policies assures the maintenance of settled conditions in these important areas during the transitional period.

GUIDELINES FOR ADMINISTRATION

The recommendation for a transitional administration of Algoma College Association and Algoma University College is based upon a clearly perceived need for the immediate establishment of a responsive, knowledgeable body of persons to undertake the work which is immediately required. If these recommendations are adopted, I undertake, in a further report to be delivered on or about July 31st next, to identify areas of special concern to the Board of Trustees in the undertaking of their duties.

The further report, based upon findings of the Commission in its investigations and during the public hearings, will include the following matters:

- a) The role of the Board and faculty in governing the affairs of the college,
- b) Collegiality in a small college,
- c) The duties of the trustees,
- d) The duties of the corporation's auditors,
- e) The establishment of an audit committee,
- f) Collective bargaining and the definition of the bargaining unit,
- g) Correction of anomalous academic practices,
- h) Academic programmes,
- i) Long-term financing,
- j) Budgeting,
- k) The reduction of academic staff,
- l) The special characteristics of the faculty member in Algoma University College,
- m) The establishment of a Development and Alumni Affairs Office,
- n) Recruiting,
- o) Fund-raising,
- p) Funding of scholarships and bursaries,

- q) The future of the Algoma Conservatory of Music,
- r) The future of Ahbenooje Day Care Nursery,
- s) Relationships with other academic, cultural and social institutions,
- t) The duties of the faculty in furthering the Outreach Programme of the college,
- u) The organization of an Academic Council, its procedures and composition,
- v) The future of Algoma University College having particular regard to the special characteristics of Sault Ste. Marie and the District of Algoma,
- w) Relations with Laurentian University and the nature of the affiliation agreement.

The foregoing report would contain, as indicated, a series of guidelines which would not be binding upon the Board of Trustees. Such guidelines might, however, be useful to them in the undertaking of their duties.

It would include, as well, reference to any matters not fully dealt with in this preliminary report.

I would expect that the Board of Trustees would continue to serve throughout the academic year 1976-77, but in no event beyond June 30, 1977. During their term of office, they will gain certain insights and experience which will be of assistance to me in the preparation of a final report dealing with structures and procedures within the college. Such report, as indicated, would be submitted by me not later than June 30, 1977.

CONCLUSION TO INTERIM REPORT

I firmly believe that the recommendation for an interim trusteeship provides an opportunity to Algoma University College for survival. It is important however, that the enthusiasm and energies of all elements of the Sault Ste. Marie and Algoma District communities be harnessed to provide their full support to the college.

In the event that the foregoing recommendations are adopted, I would request authority to employ members of my staff from time to time in order that they may assist me in the preparation of the final report.

In concluding this interim report, I would comment upon the helpfulness of C. Terrence Murphy, Q.C. and Mrs. Anne MacGregor in furthering the conduct of the inquiries and assuring that full disclosure was made of all matters relevant to the terms of reference. In particular, I am grateful to Mr. Murphy for his avoidance of certain negative elements of the adversarial system despite, on occasion, strong provocation. His forbearance contributed much to maintaining the dignity and efficiency of the Commission.

I would also warmly commend those organizations and individuals who submitted briefs to me. Though at times, as I indicated in the course of the hearings, some tended toward overstatement and on occasion, reflected somewhat unfairly upon groups and individuals, the submissions were helpful and constructive. I recognize that the tensions generated during the many months preceding the inquiry produced these tendencies toward overstatement. In each case, I took such factors into account in making my assessment of the worth of the material and the weight to be given to it.

My findings with regard to the good faith and dedication of all persons concerned, including the Board of Directors, the Board of Governors, the Principal, members of Faculty, Students and Administrative Staff reflect my response.

I would also take particular note of the several spokespersons and observers for interested groups who attended throughout the public hearings. I am sure that their attendances were made at no small cost to themselves in terms of time and personal convenience. In all cases, they were very helpful and greatly assisted my staff and myself.

In conclusion, I record my special thanks and commendation to my staff, Mr. Hull, Mr. Keller, Ms. Meanwell, Ms. Skinner and Mr. Read. The acceleration of our work imposed a heavy burden upon them. They responded with good humour and high professional competence.

In particular, I would commend Mr. Hull for the extra effort put forward in order to assure a full exposition of all matters of concern to interested groups. He, Mr. Keller, and Ms. Meanwell conducted many interviews with persons in the course of the hearings in order to assure the complete satisfaction of such persons with the conduct of the inquiry. Many spokespersons for these groups have expressed their gratitude and satisfaction. I join with them in expressing my personal thanks.

I conclude by remarking that any deficiencies in the conduct of the inquiry or in the nature of the investigation undertaken are the sole responsibility of myself and ought not to be attributed to any member of my staff.

I await such further instructions as you may wish to issue to me, if you consider that I can continue to perform a useful service to Algoma University College.

Dated at Sault Ste. Marie, Ontario, this 30th day of June, 1976.

All of which is respectfully submitted,

Thos. Wallace

Commissioner

APPENDIX A

## STAFF OF COMMISSION

Commissioner	Professor J.W. Whiteside, Q.C.
Commission Counsel	Mr. Rodney Hull, Q.C.
Registrar	Mr. Anthony Keller, LL.B.
Assistant Registrar	Ms. Catherine Meanwell, LL.B.
Secretary	Ms. Marianne Skinner
Accountant	Mr. Duncan Read, M.Ed.

APPENDIX B

## APPEARANCES - 7 MAY, 1976

Algoma College Association	- Counsel, C. Terrence Murphy, Q.C.
Algoma University College Academic Council	- Chairman, Mr. Gerry Luxton - Secretary, Mr. Iain Bates
Committee of Concerned Citizens for Algoma University College	- Interim Chairman, Mr. Richard Lebreux - Interim Secretary, Ms. Frances Paskins - Mr. Ron Irwin
Sister Catherine Paul	
Ms. Mary Adams Bone	- Professor
Algoma College Library Support Staff	- Representative, Ms. Teresa Sikorski
Ms. Teresa Sikorski	
Algoma University College Alumni Association Executive	- President, Ms. Joyce Gardiner
Canadian Association of University Teachers, (C.A.U.T.)	- represented by Professor Ken McLarty
Ontario Confederation of University Faculty Associations (O.C.U.F.A.)	- represented by Professor Ken McLarty
Algoma University College Faculty Association	- President, Dr. Lloyd Bannerman
Francis R. Guth	- Professor, represented by Dr. L. Bannerman
Algoma College Support Staff	- Representative, Ms. Charlotte Graham
Teachers' Action Committee of Sault Ste. Marie	- Mr. Larry French, representing President, Mr. L.A. Knapp
Dr. James Hartman	- former professor
Ms. Mercedes Steedman	- former professor, represented by Professor Donald Jackson

APPENDIX C

## WRITTEN SUBMISSIONS

S-1	Francis R. Guth	7 May, 1976
S-1A	Francis R. Guth	
S-1B	Francis R. Guth	10 June, 1976
S-2	Dr. Donald Watkins, Principal	7 May, 1976
S-3	Ms. Teresa Sikorski	7 May, 1976
S-4	Algoma College Library Support Staff	7 May, 1976
S-5	Ms. Mary Adams Bone	5 May, 1976
S-6	Dr. James B. Hartman	7 May, 1976
S-7	Algoma University College Alumni Association Executive	7 May, 1976
S-8	Mr. Ron Irwin - Brief on Constitution	7 May, 1976
S-9	Sister Catherine Paul	7 May, 1976
S-9A	Sister Catherine Paul	7 May, 1976
S-9B	Sister Catherine Paul - Final Submission	16 June, 1976
S-10A	Committee of Concerned Citizens for A.U.C.	7 May, 1976
S-10B	Committee of Concerned Citizens for A.U.C. - Petitions	7 May, 1976
S-11	Algoma University College Faculty Association	10 May, 1976
S-12	Teachers' Action Committee of Sault Ste. Marie	
S-13A	Algoma University College Academic Council - Brief	May, 1976
S-13B	Algoma University College Academic Council - Documents	
S-14	M. Steedman	14 May, 1976
S-15	Wm. Hogg - Brief Resume, 1959-1965	7 May, 1976
S-16	Canadian Association of University Teachers	16 May, 1976

S-17	Keewatinung Institute	May, 1976
S-18	Ontario Confederation of University Faculty Associations	20 May, 1976
S-19	Clarkson, Gordon and Co., Brief - First Draft	28 May, 1976
S-20	Ahbenooje Nursery	7 June, 1976
S-21	Lawrence Brown	14 June, 1976
S-22	Interdisciplinary Science	

APPENDIX D

## LIST OF WITNESSES IN ORDER OF APPEARANCE

7 May, 1976	Gerald Luxton Basil L. Carruthers Mrs. Anne MacGregor Dr. Lloyd Bannerman William Hogg Charlotte Graham
17 May, 1976	R.S. Derby
18 May, 1976	John Stubbs James B. Hartman Ronald Irwin
19 May, 1976	Dr. Donald Watkins
20 May, 1976	Dr. Donald Watkins
21 May, 1976	Dr. Donald Watkins
25 May, 1976	Dr. Donald Watkins Dr. Victor Sim
26 May, 1976	Dr. E.J. Monahan Dr. Victor Sim
27 May, 1976	Benson Wilson Dr. Donald Watkins
28* May, 1976	Gerald Luxton Ms. Teresa Sikorski

7 June, 1976	Professor F.R. Guth
8 June, 1976	Professor F.R. Guth George C. Dogterom Terrence George Brown Sister Catherine Paul
9 June, 1976	Sister Catherine Paul Michael Hooper Mrs. Frances Paskins
10 June, 1976	H.F. Colin Graham Larry French Mrs. Joyce Gardiner Ms. Germaine Trudeau
11 June, 1976	Dr. Lloyd Bannerman Mrs. Mary Adams Bone Basil Carruthers Joseph R. Millward
14 June, 1976	Dr. Ian Brown John Stubbs Inspector L. Waters John Stubbs Mrs. Wendy Hamilton Professor James K. McLarty
15 June, 1976	John Stubbs

16 June, 1976

Tim Holmes

Professor Iain Bates

Dr. Victor Sim

Dr. Donald Watkins

Sister Catherine Paul

Mrs. Frances Paskins

Father Brian Higgins

APPENDIX E

## EXHIBITS

- 1 Order in Council
- 2 Newspaper Notices
- 3 Title Documents
- 4 Annual Returns
- 5 Ontario Council on University Affairs - Advisory Memo
- 6 Nipissing College
- 7a Academic Council: Constitution, By-laws, Minutes 1974-1976
- 7b Academic Council: Minutes 1967-1974
- 8 Financial Statements
- 9 Board of Governors, Board of Directors - Minutes, etc.
- 10 Faculty Association - Minutes
- 11 Finance Committee - Minutes
- 12 Library Support Staff - Minutes
- 13 Enrolments
- 14 Proposed Constitution - Returned
- 15 Watkins' Contract with Board of Governors
- 16 Faculty Contract - Bohac
- 17 Watkins' Organizational Chart
- 18 Kates Peat Report
- 19 Monahan Letter to Watkins - 20 February, 1976
- 20 Watkins Letter to Monahan - 26 February, 1976
- 21 Watkins Letter to Dupré - 9 March, 1976
- 22 Dupré Letter to Watkins - 25 March, 1976
- 23 Faculty Association - Non-Confidence Motion - 5 December, 1975
- 24 Memo - Watkins to Bazillion - 19 September, 1975
- 25 Luxton Letter to Bannerman re Non-Confidence - 5 April, 1976
- 26 Watkins - Academic Council Exchange re Monahan Letter -  
March - April 1976
- 27 Watkins Letter to Bates - 22 April, 1976
- 28 A.U.C. Staff Policies

- 29     Watkins Letter to Monahan - 15 March, 1976
- 30     Holmes Memo to President, A.U.C.F.A. - 29 September, 1975
- 31     Watkins Letter to Dogterom - 11 December, 1975
- 32     Dogterom Letter to Holmes - 19 February, 1976
- 33     A.U.C.F.A. Letter to Watkins re Faculty Salaries - 7 October, 1975
- 34     Watkins Curriculum Vitae prepared by Peat, Marwick
- 35     Advertisement for INSC Position, with reply Bohac - 9 May, 1975
- 36     Watkins Letter to Guth - 2 February, 1975
- 37     Watkins Memo to Faculty re Enrolments - 15 October, 1975
- 38     Watkins Letter to Guth - 21 January, 1976
- 39     Watkins Memo to Faculty Members re Meeting - 5 May, 1975
- 40     Faculty Association Presidents
- 41     C.A.U.T. Handbook
- 42     Chronology A.U.C.
- 43     Senate Material on A.U.C.
- 44     Wright Memo - 1967
- 45     Wright Report to Davis - 8 March, 1968
- 46     Davis Letter to Mullins - 4 March, 1969
- 47     White Letter to L. Brown - 5 April, 1971
- 48     Laurentian Senate Approval of INSC - 13 June, 1974
- 49     Monahan Letter to Watkins re INSC - 26 August, 1975
- 50     Monahan Letter to Watkins re INSC - 5 March, 1976
- 51     Monahan Letter to Watkins re 20 February, 1976 Letter - 19 March, 1976
- 52     Monahan Comments re C.O.P.S.E. Report - 3 August, 1972
- 53     Laurentian Senate Motion re INSC - March 1976
- 54     Projected Enrolments - A.U.C. - 6 November, 1975
- 55     A.U.C. Submission to C.U.A. - 14 December, 1970
- 56     Projected Enrolments - Grade 13
- 57     Watkins to Hennessy re Withdrawal from Pension Plan - 3 October, 1975
- 58     Monahan to Hennessy re Pension Plan - 7 October, 1975
- 59     Menard to Hennessy re Pension Plan - 7 October, 1975
- 60     Hennessy to Segal re Pension Plan - 7 October, 1975

- 61 Mesterhazy to Nimmock re Pension Plan - 20 October, 1975
- 62 Hennessy to Holmes - Telegram re Pension Plan - 12 December, 1975
- 63 Segal Letter to Holmes re Pension Plan - 18 February, 1976
- 64 Laurentian Draft Resolution re Distribution of Algoma Assets -  
20 May, 1976
- 65 Wright Report - Model of Development - 21 January, 1969
- 66 C.O.P.S.E. Report - 1972
- 67 Gordon Letter to Monahan re Capital Funds for Library -  
18 September, 1973
- 68 Cooper Appraisal of Rectory - 5 April, 1974
- 69 Cooper Appraisal of Shingwauk Hall - 5 April, 1974
- 70 General Appraisal of Canada Appraisal, Shingwauk - 4 April, 1974
- 71 Submission to Auld re Acquisition of Shingwauk
- 72 Auld to Brown re Offer of \$500,000 - 21 February, 1975
- 73 Brown to Auld re Accepting \$500,000 - 28 February, 1975
- 74 Auld to Stubbs re \$500,000 - 27 March, 1975
- 75 Ontario Operating Formula Manual
- 76 Federal-Provincial Fiscal Arrangements Act
- 77 Algoma College - Renovations and Capital Fund Requirements -  
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- 78 Newsweek - p. 74 - 10 May, 1976
- 79 W. Wadley to Algoma College Association - 4 May, 1972
- 80 Memo - Ian Brown to Budget Committee, Academic Council -  
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- 80a Letter - Ian Brown to A.U.C. Faculty Association - 8 January, 1973
- 81 L. Brown to Anglican Diocese Property Committee - 25 January, 1972
- 82 Guth to McBain Cameron re Option - 21 January, 1974
- 83 Budget Committee, Academic Council to Ian Brown
- 83a Ian Brown to Budget Committee, Academic Council - 11 January, 1973
- 83b Ian Brown to Finance Committee, Board of Governors - 2 April, 1973
- 84 Minority Budget Report
- 85 Proposed Curriculum and Staffing Levels, 1975-76 - 14 January, 1975
- 86 A.U.C. Enrolment Figures, 1974-75 - 17 October, 1974

- 87 A.U.C. Enrolment, 1975-76
- 88 Memo - Dogterom to Adams - 7 April, 1975
- 89 Letter - Dogterom to Carruthers - 11 April, 1975
- 90 Letter - Longhurst to Carruthers - 29 October, 1975
- 91 Memo - Longhurst to File re A.U.C. - 29 October, 1975
- 92 Letter - Mesterhazy to Bazillion - enclosure - 30 January, 1976
- 93 Letter - Segal to Dogterom - 14 May, 1976
- 94 Letter - Longhurst to Segal - 27 May, 1976
- 95 Draft Agreement - Laurentian and Algoma - 14 May, 1976
- 96 Pension Plan - Employees of A.U.C.
- 97 Timetable - Terry Brown - 27 May, 1976
- 98 Letter - Hooper to Carruthers - 5 August, 1975
- 99 Letter - Hooper to Carruthers with comments - 5 August, 1975
- 100 Financial Draft Statements - M.A. Hooper - covering letter -  
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- 101 Memo - H.F.C. Graham to File re Algoma College - 1 June, 1976
- 102 Cheque - Statement - Walz Art Gallery (\$556.50) - 17 November, 1972
- 103 Report of Cash Loss - Holmes - March, 1976
- 104 Holmes to Stubbs - Report of Cash Loss - Memo - 11 March, 1976
- 105 Management Letters - 1967- 1972
- 106 Mercantile Insurance Policy - 1974 - 1975
- 107 Legal Fees - 1 May, 1972 - 30 April, 1976
- 108 Letter - Paskins to L. Brown and Memo - 1 June, 1976
- 109 Constitution for Algoma Junior College Association
- 110 Clarkson Gordon Report - C. Graham - 10 June, 1976
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- 112 McCutcheon corrections to Clarkson Table V-1
- 113 Cultural Facilities Study - March 1975
- 114 Sault Housing Development Study - June 1974
- 115 Survey, Economic Data, Economic Development Studies
- 116 Algoma Conservatory of Music - Documents
- 117 Calendar - Algoma College - 1976 - 1977

- 118 Option to Purchase - Shingwauk Hall - January, 1975
- 119 Faculty Policies re Minutes of Withdrawal of Support -  
20 October, 1975- February 1976
- 120 Carleton University Collective Agreement - 11 December, 1975
- 121 Notre Dame University Collective Agreement - 6 November, 1975
- 122 Correspondence to Royal Commission
- 123 Memo - F.R. Guth to Board of Governors - 27 January, 1975
- 124 Telegram - Ted Blachar to F. Paskins - 9 June, 1976
- 125 Medical Report re Lawrence Brown - 11 June, 1976
- 126 Petition to John Whiteside re Iain Bates - 29 April, 1976
- 127 Certification Documents - A.U.C.F.A.
- 128 Watkins Letter to Bazillion - 21 January, 1976
- 129 Guth Letter to Watkins - 5 February, 1976
- 130 "Algoma College Faculty Condemns Dismissals" - Sault Star -  
27 January, 1976
- 131 "Contractual Collegiality" and Collective Bargaining Articles
- 132 Ontario Labour Relations Act (s. 79) - Documents
- 133 Guth to Bazillion - 18 April, 1975
- 134 Watkins to Bazillion - 17 September, 1975



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- (1) as reported to the Provincial Government for grant purposes (as of December 1, for each year).
- (2) as reported to Provincial Government for Capital and Budget planning purposes (January 13, 1976).

EXHIBIT No. 13

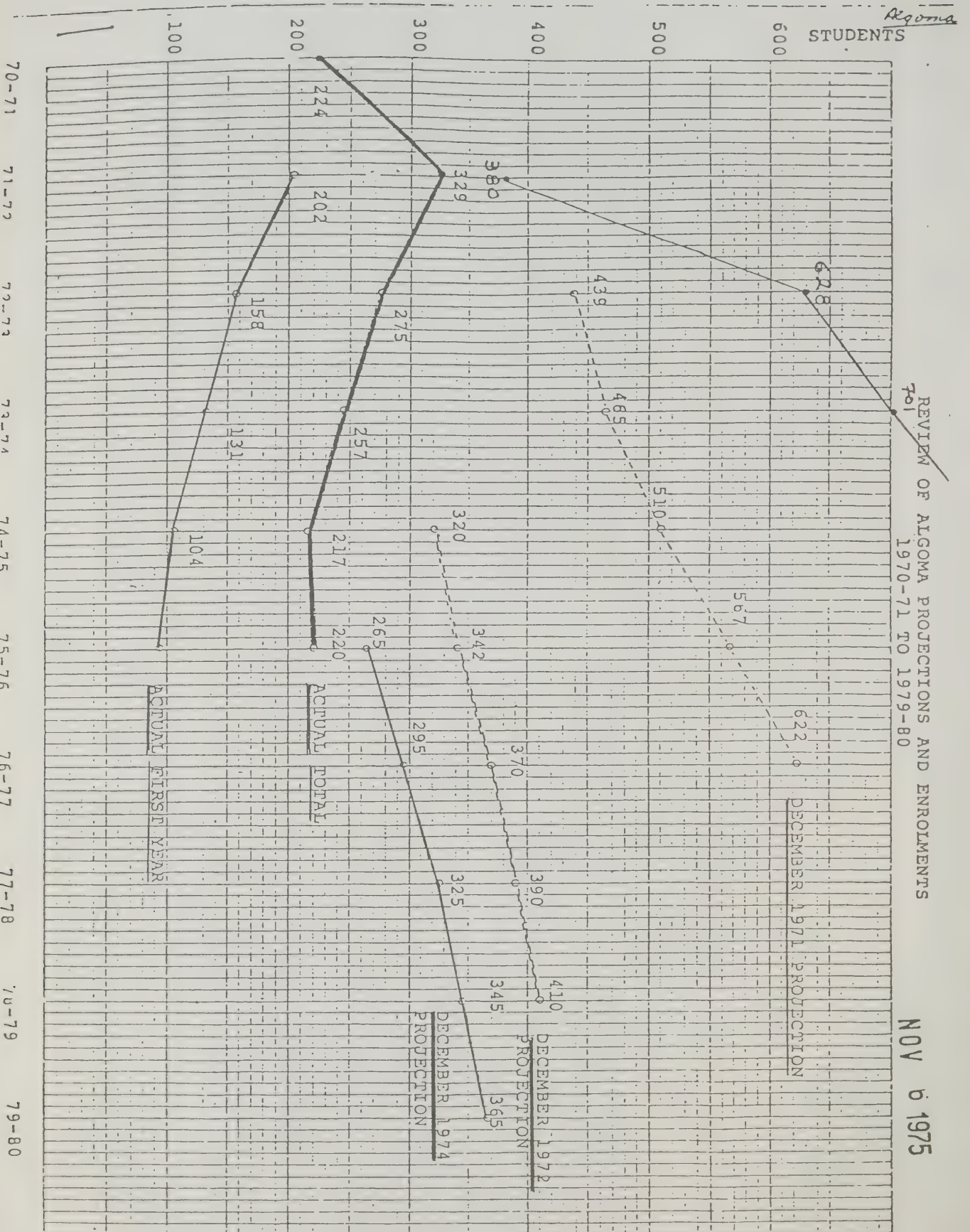
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Date 17 May 76

APPENDIX G





# **Second Report of The Royal Commission of Inquiry**

**Algoma University College**

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Commissioner  
John W. Whiteside, QC

July 30, 1976



To Her Honour,

The Lieutenant Governor of Ontario,

May It Please Your Honour,

I, the undersigned, John W. Whiteside, a Professor in the Faculty of Law of the University of Windsor, appointed Commissioner by Order-in-Council OC 616/76 pursuant to the provisions of the Public Inquiries Act 1971 and approved by Your Honour on the 10th day of March A.D. 1976, as amended by Order-in-Council OC 1248/76 and approved by Your Honour on the 5th day of May 1976, to inquire into, study and report upon:

- 1) All aspects of the management of Algoma University College bearing upon its effective operation including:
  - a) the relationship between the Board of Governors of Algoma University College and any and all entities, organizations or elements thereof,
  - b) the relationship between the Board of Governors of Algoma University College and the Board of Directors of Algoma College Association,
  - c) the affiliation between and other arrangements existing between Algoma University College and Laurentian University,
  - d) the means employed in the incorporation of the aforesaid College and Association and the adequacy and propriety thereof.
- 2) To make recommendations regarding any actions or alterations which may be deemed appropriate for the implementation of any recommendations arising from (1):

Beg to Submit to Your Honour  
The Following Further Report.



Commissioner

Sault Ste. Marie, Ontario

30th July, 1976

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## I. INTRODUCTION

The original terms of reference of the Commission required a study of all structural and procedural aspects of the management of Algoma University College.

Preliminary inquiries revealed a large number of problems of a financial and academic nature which cast serious doubt upon the ability of the college to survive. Also, a series of allegations of impropriety had been made, which demanded careful investigation.

Since the terms of reference were not sufficiently broad to permit an appropriate inquiry to be made, I requested that they be enlarged by Order-in-Council to include all aspects of the management of the college.

I felt compelled to issue a preliminary report as quickly as possible after the conclusion of the public hearings on June 17th last in order to clear the reputations of those persons and groups against whom allegations had been made. This document was delivered on July 1st.

It was equally important, in view of my findings, to propose a transitional administration in order to deal with the urgent and critical problems which were exposed during the inquiry.

The most critical of these findings were the following:

- a) a situation of extreme financial exigency;
- b) a loss of confidence by the community in the administration of the college;
- c) a serious underemployment of academic staff;
- d) the lack of an adequate response to dropping enrolment;

- e) the existence of anomalous academic practices;
- f) tension and hostility existing between the various elements of the college;
- g) the lack of a suitable structure for assuring cooperative and sound planning and administration;
- h) the lack of definition of aims and objectives of the college;
- i) the inability or failure of the college to identify a proper role for itself within the community;
- j) the lack of short-term and long-term financial and academic planning.

The preliminary report indicated that all major elements of the college and corporation shared responsibility for these defects and deficiencies.

For this reason, I recommended the disbandment of the Board of Directors and Academic Council and the establishment of a Board of Trustees.

I am aware of the heavy burden which my proposal places upon the trustees. In assuming office they are faced with problems of a critical nature. These require direct and immediate action if the institution is to survive.

The enclosed second report is an attempt to indicate areas of special concern to the trustees and to make certain suggestions for their consideration.

It is of vital importance that the trustees be appointed at the earliest date, particularly in light of the fast approaching start of the academic year 1976-77. This report has therefore, been prepared with the same sense of urgency and need for haste as the preliminary report.

I must acknowledge that this document contains merely an overview or survey of the position of the college. It is my hope however, that it does identify the major problems to be addressed by the trustees and that it will assist them in their work.

## II. A REALISTIC ACCOUNTING

I must emphasize, in the strongest terms, that Algoma University College is in a state of extreme distress. I do not believe it can survive unless strong measures are taken immediately to correct its problems. If significant progress is not made during the coming academic year, this Commission would be failing in its duties and responsibilities if it did not recommend dissolution, or at least, changes in the organization and governance of the institution which would alter, fundamentally, its powers of self-governance.

All elements of the college must be aware of these circumstances. Each must accept the challenge and the opportunity which this report provides. Each must cooperate fully and effectively with the Board of Trustees. Without this cooperation and dedication of all such elements, no solution will be achieved.

Any proposal by me to apply "band-aid" solutions to correct the serious problems of the college would be unrealistic and naive. And any thought on the part of a member of faculty, administration, student body, support staff or other member of the college community, including its alumni, that without his or her full effort, cooperation, dedication and sacrifice, the college will succeed, would be wholly unrealistic and reflect a total lack of awareness and sensitivity.

The time has long since passed for any element of the college to blame another for the distress in which the institution finds itself. No longer can members of the college community indulge themselves in the belief that faults lie in inadequate government funding, inappropriate structure and procedures, the failure of individual administrators and other factors. This fault-finding will not provide the answers to the college's problems.

I suggest that solutions lie in a realistic definition of the role of the college in the development of plans, programmes and procedures which will make it responsive to the community's needs and assure the efficient, economic and productive employment of its manpower and other resources.

It would be inviting to compare Algoma University College with other universities in Canada and in particular, those in Southern Ontario. While making allowances for different sizes, one might, if the comparison were valid, examine the methods employed in such institutions to cope with the phenomena of falling enrolments, reductions in the level of support and changing student preferences.

I suggest that such a comparison, though useful, will not suffice. I believe that there are, and necessarily must be, basic differences between Algoma and other universities. These differences arise out of the nature of the communities served by the institutions, the relationships between them and other post-secondary facilities, student preferences and attitudes, research opportunities for faculty, secondary school population and a host of factors relating to the environment of the community in which they are located.

Algoma University College is located in a well-developed, but isolated community of modest size. Students in the area have demonstrated a preference to attend universities in southern Ontario. Secondary school enrolment is falling. Research facilities for faculty are meagre if not non-existent in certain disciplines. Algoma is in competition for students in a shrinking market with two nearby larger institutions, Sault College of Applied Science and Technology and Lake Superior State College in Sault Ste. Marie, Michigan. It is also in competition with its parent body, Laurentian University, and to a lesser extent, with Lakehead University at Thunder Bay.

All of these factors force a conclusion that Algoma is faced with a unique set of circumstances which demand recognition of the fact that if it is to survive, it must make a substantial departure from the traditional roles adopted by degree-conferring institutions and their faculties.

Unfortunately, there has been little or no acknowledgement of this fact within Algoma University College and the outside community.

It would appear that the central planning thrust of Algoma and its supporters within the community has been to develop a small university modelled upon those elsewhere. In so doing, it has expanded its programmes, in many cases without assurance of adequate student demand, and has ventured into certain areas of Science. These efforts have resulted in serious economic distress and have brought it into collision with government authorities who have, I believe, realistically envisaged a different role for the institution.

The inquiry undertaken by the Commission has provided a recognition that such planning threatens the destruction of the institution. The inquiry has also permitted an opportunity to re-examine the basic role and objectives of the college and the roles, duties, qualifications and academic responsibilities of its faculty.

The transitional year proposed in the preliminary report will not be easy. It will be a time of rigorous self-examination and evaluation.

The period will be made more difficult because of the tensions, conflicts and failures which have preceded the Commission's investigations.

These should be identified in order that they may be avoided in the future. In so doing, I do not intend to rekindle these tensions but rather, in identifying them, permit their avoidance in the future.

Of foremost importance, I have found that there is no clear definition of the objects and responsibilities of the college to the community. Further, there is no clear definition of the role and responsibilities of the Board of Governors, the Academic Council, the faculty and the administration of the college in achieving these objectives and assuring the efficient and economic operation of the college.

In the circumstances, none of these elements of the college has been able to fulfil its specific role and discharge its responsibilities. And worse, it appears that the energies of the several components of the college during the past several years have been devoted more to internal bickering and strife than to cooperative resolution of these problems. This fact more than any other has caused the college to lose credibility with major segments of the public.

The college cannot be restored to viability unless it immediately undertakes steps to regain its credibility and make a clear demonstration that it is able to justify the confidence of the government, the community and students alike. In order for this to be accomplished, all persons associated with the institution, administration, faculty, support staff and students, must put aside past differences, exercise self-discipline, and begin to deal on a cooperative, rational and common sense basis. No less is expected of them and no less will justify their continued existence.

Immediately after the Board of Trustees has assumed control, the role of the college within the community must be determined and the priorities for development established. An assessment must be made of financial and manpower resources. Academic programmes must be rationalized and a coherent plan developed. This plan must be based upon an appropriate set of academic priorities which reflect the needs of the community and the capabilities of the college.

A fresh approach must be found to achieving financial, academic and administrative flexibility in order to deal effectively and responsively with changing student preferences, community needs and competitive realities.

New modes must be examined and developed for assuring a process of shared responsibility in areas of academic, financial and general administration. And, to assure that the confidence of the public is regained, and academic standards upheld, the faculty in particular must cooperate with the governing elements of the college in establishing standards and criteria relating to such issues as teacher productivity, workload, class size, tenure, advancement in academic rank, appointments and other matters. These must be developed in a spirit of cooperation and mutual respect. They cannot be developed if the existing relationship is continued.

In particular, and in fairness to persons who have served the college as teachers for many years, work must be begun to correct certain anomalous academic practices which have continued for too long.

A special and peculiar responsibility and obligation is imposed upon an academic person. He is privileged to undertake his profession within long-established academic traditions. He must recognize, however, that the enjoyment of these privileges

carries with it, as is the case in other professions and callings, certain responsibilities and obligations which he cannot and must not avoid if he is to enjoy the support of the community.

Those non-academics who participate in the administration of the college must themselves become informed and sensitive to the peculiar and special needs of the university community, to respect academic traditions and avoid the application of procedures which are offensive to such traditions.

These general observations are intended to preface a discussion of the special problems which have been encountered at Algoma University College in the past several years and which have produced conflict, strife, embarrassment and hardship for everyone connected with the institution.

They are not intended to reopen old wounds or to reflect gratuitous criticism upon the persons to whom they are directed. They are seriously intended as a reminder to all that each has a special responsibility to adopt a positive, disciplined and constructive attitude. Without this, the college will not survive.

### III. THE ROLE OF THE COLLEGE: A CHANGE IN CONCEPT

I seriously question whether the environment of Algoma University College permits it to function in the same manner as other university-level institutions located in areas of greater population density and having access to a wider range of research facilities.

The needs of its constituency differ from those of such other universities. These needs may be broadly defined as social, economic and cultural in nature.

Government policy dictates that Algoma must function as a liberal arts college. It is in this context that its planning must be undertaken and its role defined. But within this context there are provided, I believe, wide opportunities for the identification and development of a vital and dynamic role in the City of Sault Ste. Marie and the District of Algoma.

To exploit these opportunities will demand the creative imagination and administrative skills of the administration and faculty of the college. It will demand link-ups and relationships with other institutions and facilities which are either unknown to or little recognized in a traditional liberal arts college.

It will require the adoption of a fresh, innovative approach to the development of a meaningful and responsive role for the college within the community.

The college must not only be perceived as an educational institution, but also be recognized as a centre for culture and recreation in all the aspects which these terms imply.

Such a perception imposes special burdens and creates fresh opportunities for the institution, its faculty and everyone associated with it. It indicates that different criteria should be developed to apply to the selection, promotion and retention of faculty, to the nature of college programmes and possibly to funding.

I suggest that a practical illustration of the adoption of such a role is best given by depicting the profile of a member of academic staff best suited to implementing the policy. The person would be one who is excited by the concept of the college being an integral part of the community it serves, who sees the college as exercising a positive, dynamic and constructive role in serving the entire community - young and old, professional and non-professional, working man and housewife. Such a person would see and accept the challenge of developing cooperative programmes with other health, welfare, governmental, educational and cultural bodies within the community. The person would not be bound by the traditional roles adopted by degree-granting institutions elsewhere and would be prepared to enter into a creative partnership with other organizations, playing a dominant or subservient role, to assure the fulfilment of a community need.

Finally, such a person would recognize the singular advantages of the Algoma District and consider the development of programmes which are indigenous to the area and which reflect its proximity to the United States, its location on the fringe of the Canadian North and its rich historical lore.

Possible programmes might involve developing cooperative studies in Canada-U.S. relations with Lake Superior State College; or recognizing a moral commitment to retaining an

Indian presence on the campus of the college and developing a cross-cultural programme to reflect this.

In short, I am urging consideration of a departure from the traditional role of the college and its adoption of a policy providing for a more intimate and direct involvement in the community through joint undertakings with other institutions and organizations in the area.

#### IV. THE PRELIMINARY REPORT

The investigations undertaken by the Commission revealed Algoma University College to be in a serious state of disarray. My preliminary report, dated June 30, 1976, was issued with all possible haste following conclusion of the hearings on June 17th, in order to provide for a transitional period of administration under a Board of Trustees so that the trend of the college toward financial and academic insolvency might be reversed.

In so doing, I reflected my concern that only by instituting a responsive and a knowledgeable administration and securing the active support and assistance of the faculty and the community, could the college be restored to a viable condition.

The following is a summary of the major recommendations contained in the preliminary report:

- a) that the Board of Directors and Academic Council be disbanded;
- b) that a Board of Trustees be appointed comprising a distinguished academic administrator, a former member of the board and a tenured member of faculty;
- c) that the academic administrator be President of the Corporation and assume the duties of the principal;
- d) that the Board of Trustees assume the duties of the Academic Council;
- e) that staff policies adopted by the Academic Council and the former Board of Governors be ratified and confirmed;
- f) that an Advisory Council to the Board of Trustees be established having a membership of not more than eight in number, to be appointed by the Board of Trustees, who advise the trustees on policies relating to development, fund-raising, alumni affairs, recruiting and outreach into the community.

The trusteeship was proposed to assure that all problems would be taken in hand and dealt with in a responsive fashion at the earliest possible date. The report proposed that the trustees remain in office for a period terminating not later than June 30, 1977.

The composition of the Board of Trustees assured that appropriate emphasis be given to academic and financial planning through the chairman. The remaining members were recommended in order to afford representation to the faculty and the community and assure continuity of experience. It was felt that the small size of the Board of Trustees would permit responsive and quick action to be taken to meet the number of exigencies which are expected to arise.

The duties of the principal were recommended to be transferred to the President of the Corporation in order to avoid continuing friction and conflict between the principal and members of faculty.

Confirmation of the academic and support staff policies was proposed in order to assure the maintenance of settled conditions in those important areas during the transitional period. In so doing, I was mindful of the fact that such policies cannot presently be changed because of the provisions of the Labour Relations Act. Any change would constitute unfair labour practice.

The proposal did not, however, imply endorsement of these policies. Indeed, I would observe that they must ultimately be changed in order to correct certain severe problems which presently exist and to reflect a change in the role to be played by the college in the community.

Though the Board of Trustees and the Faculty Association may negotiate changes in academic policies to accommodate

the change in structure during the transitional period, I am suggesting postponement of a major reorganization until after the final report of the Commission is delivered.

Finally, the preliminary report proposed that the Directors, Faculty and Academic Council of the college undertake the recommendations voluntarily. I made this proposal in order that they might make a demonstration of their determination to restore the college to a viable condition and also to ensure retention of their autonomy.

In my preliminary report, I undertook to deliver the within report and to submit a further and final report on or before June 30, 1977.

V. IMPLEMENTATION OF RECOMMENDATIONS  
CONTAINED IN THE PRELIMINARY REPORT

The preliminary report, dated June 30, 1976, was delivered to an agent of the Ministry of the Attorney General on July 1st. It was submitted to Cabinet on July 6th and made public on the following day. Thereafter, various parties represented at the public hearing commented upon it.

On July 16th, Academic Council passed a resolution to disband voluntarily following adoption of enabling resolutions by the Board of Directors of Algoma College Association.

On July 20th, the Board of Directors met and, while approving the recommendations contained in the preliminary report, recommended several proposals to the Minister of Colleges and Universities, The Honourable H.C. Parrott, for the consideration of the Lieutenant Governor in Council.

On the following day the Minister and the Deputy Minister, Dr. J. Gordon Parr, met with the Board in Sault Ste. Marie and considered the proposals. After the meeting, I was asked to comment upon the proposals. My comments were confirmed in a letter dated July 22nd addressed to the Minister. The letter and a copy of the resolution of the Board of Directors are attached hereto as Appendices A and B respectively.

As my letter indicates, I consider the proposals made by the Directors to be consistent with the spirit and intent of the recommendations I had earlier made.

The actions and comments made by the various elements of the college following issue of the preliminary report have been consistent with my earlier appreciation of the character and quality of the individuals concerned. Despite the sweeping

nature of the proposals and their effect upon the bodies of which they were members, their responses were positive in nature and reflected the genuine concern of such individuals for the welfare of the institution. At the date of writing this report, appropriate steps are being taken to implement the earlier recommendations.

I am personally grateful for the respectful consideration which has been given to that report.

## VI. COMMENTARY FOR TRUSTEES

This report will endeavour to set forth certain findings of the Commission which I think are relevant and important to the trustees. It will also attempt to identify areas of special interest and concern.

It will make proposals regarding the structure and method of operation of the trustees for their consideration, comment on certain management problems and make reference to the relationship between the college and the community.

It will also indicate a range of options for the future, comment upon the role of the Commission during the transitional period and make mention of certain special concerns to the faculty, the community and the government.

The preliminary report indicated, in the section entitled, "Guidelines for Administration" that the within report would deal with the several topics enumerated in the section. On reflection, I have concluded that most of these topics ought to be considered in detail in the final report in which I will consider a permanent structure and procedures. At that time I will be able to draw upon the insights, knowledge and experience of the trustees which they have acquired during their term of office.

The final report of the Commission, to be delivered in early May, 1977, will assess the viability of the college. If an appropriate role has been identified for it within its means and capabilities, a permanent structure and procedures will be recommended. These will assure, to the best of my ability, that the administration of the institution will be responsive and accountable to the community and afford proper recognition of academic tradition.

## 1. The Nature of Algoma University College

The college began operations in 1967 as a single-tier Liberal Arts institute affiliated to Laurentian University which, together with Lakehead University, were designated the degree-conferring institutions to serve northern Ontario within the Ontario system.

The supporters of the college had strong aspirations to achieve university status. They continued to press for such recognition until after the appointment of this Commission.

An expansionist policy was followed by the college and in 1971 and 1972, second and third years of the General Arts programme were added. The wisdom of this decision was questioned by some, particularly in view of the relatively small population base upon which the college relied and the preference of students to enter Arts programmes offered in southern Ontario universities.

Of particular concern was the fact that such programmes at Laurentian and Lakehead as well as at many southern universities, were under-enrolled. Algoma's expansion was seen by many to be unjustified in system-wide terms.

From its inception, Algoma has been cautioned by the government against expanding into the Science area. Yet in 1975, the Interdisciplinary Life Sciences programme was established. This programme involved a commitment to Science. It was to be financed out of free funds available to the college since the government had declared firmly that no additional operating or capital funds would be made available to the college to finance it or other Science programmes.

The programme was discontinued while the Commission's public hearings were in progress since it was clear that it could not be sustained by the dwindling resources of the college.

The government has stated firmly the role to be played by Algoma University College within the Ontario system; namely, a Liberal Arts college.

As such, the college serves an important function within Sault Ste. Marie and the Algoma District by providing the broadening experience of an Arts programme.

Evidence was adduced at the public hearings indicating that the Sault Ste. Marie community has a need for the college, especially to serve those persons who, for economic and other reasons, are unable to attend universities elsewhere. Whether Algoma University College can, in light of economic and other conditions, fulfil this role within the Ontario university system is the crucial question which must be considered by this Commission in its final report.

## 2. Enrolments

Enrolment is critical to Algoma University College. Ninety-five percent of the students currently attending the institution are from Sault Ste. Marie and the Algoma District. Three out of four students graduating from secondary schools in the area attend other Ontario universities. According to the report of Clarkson, Gordon & Co., high school enrolment projections in the Algoma District will begin to decline during the next two to three years. There will be thirty percent fewer Grade 13 graduates in 1986, than there are currently in 1976. This figure is to be compared with the nineteen percent projected decrease in enrolments system-wide throughout Ontario. Full-time enrolment in the college has declined by one-third during the past five years. It was 329 in 1971-72 and 223 in 1975-76. First year enrolment has declined by one-half during the same period. The number of part-time students has declined from 2,074 in 1970-71 to 1,672 in 1975-76. Intersession and summer session have not increased total part-time enrolment.

This fact indicates the need for a careful reappraisal of the validity of continuing these sessions in the future.

Laurentian and Lakehead universities, as well as those in southern Ontario, compete with Algoma College for the limited number of students who are attending Ontario universities for a general Arts degree. In most, if not all, of these institutions a fall-off of enrolment has been experienced in the Humanities and each is exerting major efforts to recruit students to the Arts area to correct the problems created by under-enrolment.

These institutions are more highly competitive than Algoma. They have skilled recruiting forces. They have residences and amenities which are not available to Algoma. They tend to capitalize on the long-standing predilection of Sault Ste. Marie students to attend university in southern Ontario.

Of critical importance to a consideration of enrolments in the college is recognition of the existence of Lake Superior State College in Sault Ste. Marie, Michigan as well as Sault College of Applied Arts and Technology. The former institution, having a full-time student body of approximately 1,800, is a growing university offering degrees in a wide range of disciplines. It is organized into two faculties: Science and Technology, and Arts and Social Science. It has an imposing physical plant which features a physical education and recreation complex constructed at a cost in excess of \$10,500,000. A more detailed commentary upon Lake Superior State College is contained in Appendix C.

Sault College, though directing its activities to technical and career-oriented programmes, nevertheless is a direct competitive threat to Algoma because of an agreement whereby Sault College graduates can enrol in the final year of certain degree programmes at Lake Superior State College.

A fuller commentary on the programmes of Sault College is contained in Appendix D.

The Clarkson, Gordon report further indicated that although the full-time equivalent student registration at Algoma over the past several years had been substantially increased by the enrolment of school teachers, enrolments must be expected to decrease in the future. It also indicated that part-time enrolment appears to follow a cyclical pattern satisfying demands in specific sectors of the population. Significantly, the report indicated that satisfaction of a number of areas of academic demand which appear to exist, may be denied Algoma University College by virtue of its affiliation with Laurentian University. Accordingly, some relaxation of these restrictions may be indicated, provided viable courses can be mounted.

It is clear that Algoma University College must take aggressive steps to increase its student intake. It must not only attempt to gain a larger proportion of local students attending university, possibly by means of an improved system of scholarships and bursaries, but also seek to attract students from southern Ontario.

I suspect there is a desire on the part of many secondary school graduates in southern Ontario, particularly those for whom winter sports and the Canadian North have an attraction, to escape the crowded, impersonal universities and urban life styles of the southern centres. This group of persons might yield recruits to Algoma if appropriate recruiting efforts were made.

Further comment will be made upon the important subject of recruiting and development in a later section of this report.

### 3. Quality of Academic Staff and Programmes

The quality of academic staff and programmes has a bearing upon recruitment.

It is beyond my capacity to comment upon the quality of the academic staff at Algoma University College. However, evidence available to the Commission indicates that the vast majority of the staff members are devoted to the institution and to their students. The student body relates well to the staff. Recruiting may, however, have suffered as a result of the well-publicized internal wrangling in which the staff have participated during the past several years. Public confidence in the institution has declined for this reason.

In some areas, the faculty is overstaffed. To retain economic and academic viability, certain low-enrolment courses must be eliminated. There must also be an increase in the standard faculty work load and a redistribution of work load to correct certain inequities. Consideration must also be given, as was earlier noted, to the elimination or severe curtailment of summer session and inter session. The combined result of these measures would be to effect economies by reducing academic staff and permitting members of faculty to concentrate their efforts on those courses and programmes where there is the greatest need and demand within the community. The result might be an efficient, integrated and well-founded academic programme from which future developments might spring as community needs are identified.

Consideration must be given to the cycling of programmes and other devices in order to permit the replenishment of markets.

And, as will be indicated in subsequent parts of this report, heavy emphasis must be placed upon combining with other facilities, educational, cultural and governmental to develop programmes to meet public needs.

#### 4. Academic Practices

For financial or other reasons, a number of anomalous academic practices have been allowed to develop within the institution. The manner of payment of salaries, the differentiation between full-time, sessional, terminal and probationary appointments, the engagement of academic staff and other practices have produced tension and, in some cases, hostility.

A representative of the Canadian Association of University Teachers and the Commission have noted allegations of exploitation of and discrimination against women, particularly with respect to their employment as sessional instructors. I make no finding in this regard, but merely note the matter as an area of concern to the trustees.

Serious tension developed between the Board of Governors and the Academic Council regarding matters relating to promotion, award of tenure and appointments. In many cases, academic colleagues were called upon, within the procedures established by Academic Council, to sit in judgment upon one another. Such a practice in a small institution fails to ensure that due process will be applied, or that fair and impartial judgments will be made. The procedure is not conducive to assuring public confidence in the administration of academic affairs within the college. Neither can it be said to ensure the maintenance of high academic standards.

## 5. Finances and Management

Since 1972 the college has suffered significant operating losses in each academic year. The loss projected to April 30, 1977 is \$219,000, which will leave the college in a net deficit position at the end of the 1976-77 fiscal year of \$140,000. The loss in 1976 (\$162,000) must be compared with the relatively small budget income available to the institution (\$1,450,000). In my view, the Ministry of Colleges and Universities would be delinquent in its responsibilities to the entire Ontario community if it allowed this pattern to continue, particularly in the absence of a viable plan for reversing the trend toward insolvency.

It may be that this trend can be reduced with careful programme and financial management and planning. The deficit position is the direct result of a failure on the part of college administration to undertake such planning. This lack of planning with its consequent near-disastrous result is perhaps the single greatest failure on the part of the management of the college.

I think it not unfair, in light of financial performance and other defects of general and academic planning and administration, to suggest that the college has never developed the skills and expertise required to manage successfully a degree-granting institution.

These must be acquired and applied. This adds a dimension to the duties of the trustees whose function must be to assist in educating the members of the college to these skills and techniques.

## 6. Physical Facilities

The quality of the physical facilities of the college, other than its library, must be considered marginal at best. Shingwauk Hall is an old structure which has been converted to academic use. Despite the comments contained in the Clarkson report, I must reflect serious concern about the wisdom of acquiring the building in light of the heavy cost of its maintenance and upkeep. This investment in bricks and mortar is hard to justify. In the future these costs are bound to increase and will affect the operating viability of the institution. The upkeep of the older structure must be taken into consideration in any projections.

The college makes extensive use of portable buildings. These must ultimately be replaced.

There are no adequate sports or recreational facilities.

None of these factors enhances the competitive position of the college in the market for Arts students. Enrolment and financial performance make any proposal for replacement or major renovation of existing buildings very difficult to justify.

Nevertheless, these factors must be considered in the development of long-range plans for the institution.

## 7. Relationship with the Community

There is clear evidence that many persons within Sault Ste. Marie have become "fed-up with the internal squabbles" within the college. Without making any judgment concerning the merits of these squabbles, it is clear that they have, over the past several years, tended to erode confidence in the college, its administration and its faculty. This erosion of confidence may explain why many guidance teachers within the secondary school system do not promote the interests of the college. This is unfortunate, to say the least.

There is also evidence of a lack of responsiveness on the part of some college officials to overtures from outside groups. Some parents and others have complained that insufficient interest has been shown when requests have been made for information concerning courses and accreditation.

The trustees will wish to inform themselves concerning these matters by establishing contact with secondary school guidance teachers, industrial personnel officials, trade union officials and others. They may also wish to solicit views from the public concerning the college through the medium of public meetings. This technique might provide the public with a sense of identification with the college and a feeling of real participation in its affairs.

But above all, a mechanism must immediately be developed for resolving internal disputes in a fair and expeditious manner without the need for recourse to outside agencies. It is imperative that all persons in the institution, including administration, faculty and students, must re-establish their credibility with the public if the college is to continue in existence. They must turn to a forward-thinking, positive, constructive approach to development of the college.

VII. STRUCTURE AND METHOD OF OPERATION  
OF THE BOARD OF TRUSTEES

The Commission has recommended the appointment of a Board of three Trustees to assume all aspects of the management of Algoma College Association and Algoma University College. A heavy burden is imposed upon these persons.

The Board comprises an academic administrator as Chairman and President, a lay person and a tenured member of the faculty of the college.

The duties and powers of the board are those assigned the directors of a corporation under the provisions of the Corporations Act. R.S.O. 1970, chapter 89. They are required to manage the affairs of the corporations. Provisions of the statute will govern the conduct of the Board of Trustees. It is expected that they will continue in office during the academic year 1976-77 and in any event, not later than June 30, 1977. They will then transfer their charge to the appropriate elements of a newly constructed organization established in accord with the recommendations of the Commission. In so doing the trustees, exercising the powers and authority of directors and members of the corporation under the provisions of the Corporations Act, will be expected to undertake the necessary enabling steps to permit implementation of the Commission's final report as approved by the Lieutenant Governor in Council.

All academic, financial and administrative authority is vested in the Board of Trustees. It is therefore in a position to undertake the administration of the institution and to plan and make decisions for its future.

The Board of Trustees will function as a unit, as is required of the Board of Directors of a corporation, with each of its

members bringing to its deliberations a background of experience and expertise. It is also expected that the board will consult freely with persons inside and outside the college and establish such ad hoc administrative and consultative committees as will best serve its purpose.

## 1. THE FUNCTIONS OF THE BOARD OF TRUSTEES

In broad terms, the function of the Board of Trustees will be as follows:

- 1) the management of the academic, business and financial affairs of Algoma University College;
- 2) the management of affairs of Algoma College Association;
- 3) the investigation of the role to be played by Algoma University College in the community, and
- 4) the review of options for the future of Algoma University College for the guidance of the Commission.

I request that the trustees, from time to time, submit reports to me relative to the progress of their work. I undertake to offer such assistance as I am capable of giving to the trustees during their term of office and to consult with them whenever it is convenient for them.

It is expected that the trustees will determine for themselves their mode of operation. The Chairman of the Board, as President of the corporation, will assume the role of chief executive officer of Algoma College Association. Also, by virtue of the powers of the Principal having been vested in him, he assumes the further duty of acting as chief executive officer of Algoma University College.

The chairman, because of his previous experience, will be sensitive to the obligation of the college to serve and respond to the needs of the community. Further he will be knowledgeable about academic administration and will institute procedures, in keeping with sound and appropriate academic tradition, which assure efficient, economic and viable academic programmes.

The lay person will be expected to reflect the needs and concerns of the community and will bring to the deliberations of the board his experience and expertise in business operations.

The tenured faculty member will be expected to reflect, in a sensitive and responsible manner, the appropriate needs and concerns of the faculty.

The Commission has recommended, for the protection of the tenured member of the faculty upon the Board of Trustees, that an agreement be made with the Algoma University College Faculty Association to provide for such member not being excluded from the bargaining unit described in the certificate of the Ontario Labour Relations Board dated the 24th day of March, 1975. The Commission believes that this proposal is in keeping with the principles of collegiality which were referred to frequently in the course of the public hearings. In making this recommendation, the college is assured that, particularly during the vital transitional period contemplated by the preliminary report, the Board of Trustees will not be denied the expertise and sensitivity of a senior member of faculty.

This person is reminded however of the provisions of Section 72 of the Corporations Act which require disclosure to be made by every director who is in any way directly or indirectly interested in a proposed contract. The section prescribes the procedure to be followed by such person. He must observe such procedure strictly. It is expected, in any event, that he will exercise his duties of office in a fair, impartial and disinterested manner and in accord with the best traditions of academic management having in mind only the best interests of the institution.

It is expected that, in the course of the work of the Board of Trustees, each member will give emphasis to a particular phase of the business of the college. For example, the faculty representative will be concerned to assure the implementation of appropriate procedures for the correction

of anomalous academic practices, the development of academic programmes which are responsive to community needs, the involvement of members of faculty in the development of the college and the procedures employed for the protection of the proper interests of faculty members.

The lay member of the board will undoubtedly give emphasis to financial planning and budgeting as well as the organization of the development programme of the college and the maintenance of efficient and effective business operations.

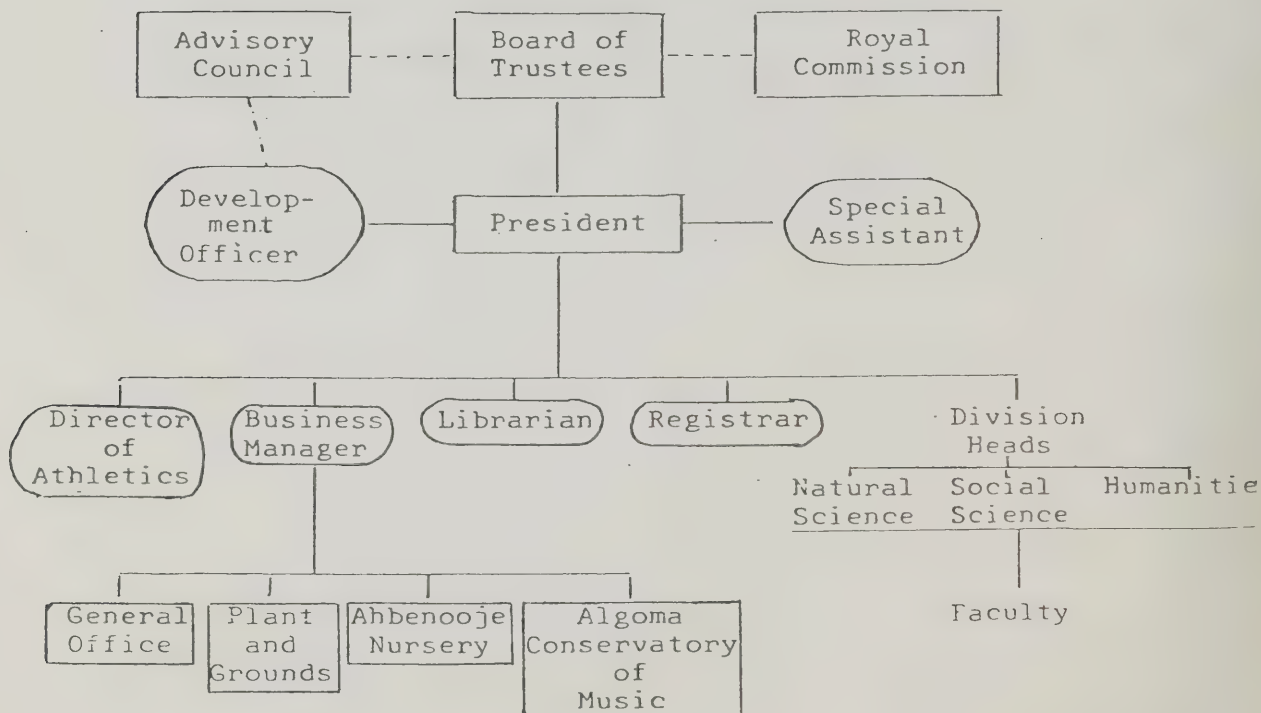
The President, in addition to being responsible for the daily operation of the college, will coordinate and direct its affairs and institute procedures for long-term financial and academic planning.

These duties are onerous. They will impose a heavy burden upon the incumbents. Every person with whom they associate, within and without the college, must provide them with full support, assistance and cooperation.

## 2. THE STRUCTURE OF THE BOARD OF TRUSTEES

The Board of Trustees will establish their own procedures and organize themselves in a manner most suitable to their needs. The following comments are therefore to be treated as suggestions only.

In the course of the public hearings, the Principal indicated that two of the prime sources of his problems during his term of office were excessive span of control and insulation. In order to prevent a recurrence of this situation and to allow the Chairman to function in a satisfactory manner, the following organizational chart is proposed:



The foregoing proposes that faculty be organized under three division heads. This appears to be a logical proposal for permitting the President to communicate with the various

departments in an efficient and effective manner in matters of common concern. It does not prevent him, however, from having personal contact with individuals in order to assure, in the best academic tradition, his offering assistance and guidance in furthering their personal and professional development.

It is also suggested that consideration be given to the appointment of a Development Officer, to whom reference will be made later in this report, as Secretary of the Advisory Council. In this capacity such person may maintain direct communication between the Council and the President.

The duties of the Special Assistant and the appointment of such person would clearly be a matter for the determination of the President and the trustees. It may be that they will consider such appointment to be unnecessary. This decision is theirs to make.

### 3. THE DUTIES OF THE TRUSTEES: MANAGEMENT

The management of the affairs of Algoma College Association and Algoma University College by the Board of Trustees will include all aspects of the affairs of the college and the corporation. The following is an attempt to identify the major areas of concern to the Board of Trustees and to reflect certain of the perceptions of the Commission in the course of its inquiry.

a) Negotiation of a collective agreement with the Algoma University College Faculty Association

The Faculty Association was certified as bargaining agent for all full-time members of the faculty of Algoma University College by certificate issued by the Labour Relations Board on the 24th day of March, 1975. Notice to commence bargaining, under the provisions of the Ontario Labour Relations Act, has been served upon the corporation by the association. As indicated in Appendix A, there is some confusion concerning the status of an agreement presently in existence between the parties.

The Commission, in its preliminary report, recommended that all academic practices previously adopted by the Board of Directors of the corporation be confirmed. This recommendation was based upon a desire to assure that during the transitional period, the terms and conditions of employment of academic and support staff of Algoma University College would remain constant. It is clear however, that major changes are required in such practices in order to assure the appropriate academic and fiscal management of the college's affairs.

These changes, when made, will be the result of collective bargaining. I have serious doubt as to whether it is within the competence of a governing board, at least in those Ontario universities whose statutes assign power over academic matters to their senates, to negotiate changes in academic practices. This is a gray area in university collective bargaining which requires clarification.

No problem will arise at Algoma during the transitional period if changes are required to be made in such practices since the powers of the Academic Council are vested in the Board of Trustees.

When changes are made in such practices, it is to be hoped that they will be made in a spirit of mutual cooperation between the college's administrators and the bargaining agent for the faculty. The primary motivation must be to assure maintenance of the best academic traditions and the future welfare of the college and not for any self-serving purposes on the part of individual faculty members.

In the meantime it is necessary that an agreement be made with the Faculty Association at the earliest date to settle the monetary aspects of their employment for the year commencing July 1, 1976. It is the earnest concern of the Commission that the negotiations undertaken by the trustees and the association be confined to monetary items. Early completion of such negotiations will remove a degree of tension from the atmosphere of the college.

b) Administration of academic policy

The Commission, in its preliminary report, recommended that the Academic Council be disbanded and that its powers

and authority be vested in the Board of Trustees. In the course of my inquiry, I found that the Academic Council was unable, for various reasons, to discharge the duties normally assigned to the senate of a multi-facultied university.

Specifically, I found that frequently members of the Academic Council were unable to make impartial and objective judgments upon the merits of colleagues' causes. This is not surprising, given the small size of the faculty.

A mechanism must be found and implemented on an ad hoc basis during the transitional period for correcting this substantial defect.

Further, I would hope that during the period, consideration would be given by the trustees, in consultation with members of academic staff and others, to a different set of criteria for the employment and promotion of faculty in order to assure the engagement and retention of persons best suited to the college and the community.

In undertaking the duties of the Council, the Commission is confident that the trustees will be motivated by a sense of fairness and concern for members of faculty, the college and the community as a whole.

With disbandment of the Academic Council and its various committees, it will be necessary for the Board of Trustees to establish an ad hoc structure to supplant the committees of Council and presumably this will be a matter to which the Board of Trustees will direct their attention soon after their appointment.

c) Academic planning and course costing

This is an area to which the greatest emphasis must be given by the Board of Trustees. As the Clarkson, Gordon & Co. report indicates, there has been little adequate academic planning undertaken by the college during its years of existence. Programmes have been established which have not been responsive to community needs and as a consequence, they have proved not to be viable. The Board of Trustees must, at the earliest date, undertake an examination of the college and identify those which must be eliminated in the interests of academic and financial integrity. In so doing, it will identify the appropriate academic staffing requirements of the college and be in a position to identify redundancies and apply the appropriate procedures in accord with academic policies. In this regard, it is to be hoped that new programmes will be instituted commencing September, 1977, which will reflect efficiency and economies of programme planning.

I would refer the trustees to the specific comments made by Clarkson, Gordon & Co. in their report as follows:

- a) Insufficient emphasis has been placed upon the economic criteria associated with the development of academic programmes and financial factors must be more carefully considered in the future;
- b) A careful rationalization of all courses must be considered with a view to reducing projected budget deficits, and;
- c) Specific courses with a history of low enrolments must be eliminated.

d) Academic standards

During my inquiry, some concern was expressed by members of the college for the maintenance of appropriate academic standards in certain courses and in the matter of evaluation of teaching performances by faculty. I recommend that the Board of Trustees consider instituting studies at an early date to consider means of developing appropriate academic standards and for the evaluation of the teaching capacity of members of faculty.

e) The engagement of staff

The Board of Trustees must undertake the usual duties attendant upon the hiring of academic and support staff either directly or by delegation to appropriate officials of the college. In this connection, it is suggested that support staff policies be the subject of review to insure that they are fair and do not provide grounds for justifiable grievance. The members of support staff, who indicated concern during the course of the hearings, should be consulted and their specific complaints dealt with in light of the employment policy.

Insofar as the engagement of academic staff is concerned, it is assumed that the Board of Trustees will exercise great caution, not only in terms of the number of staff appointed, but also with regard to the nature of the staff.

In the course of the hearings, I gained the impression that if the college were to continue as a viable institution, academic staff members should be engaged and promoted according to criteria which gave great emphasis to their flexibility in terms of academic

development and to their willingness to serve the community. In the former case, so small an institution as Algoma cannot afford the luxury of having specialists in narrow fields. The student market and the finances of the institution will not support narrowly-based academic persons. Accordingly, it is suggested that consideration be given to the engagement only of those having a wide range of teaching and learning experience in several cognate disciplines. Those presently on staff should be encouraged to broaden their range of knowledge and experience so as to assure flexibility in the development of necessary academic programmes.

They should also be encouraged to develop management and administrative skills so that during periods when they are underemployed as teachers, they may share in the administration of the college and its programmes in the outside community. This observation reflects the possibility of cycling courses at greater intervals in order to ensure appropriate class sizes.

f) Support staff

As noted, submissions made to the Commission during the public hearings reflected a sense of concern and apprehension on the part of the support staff. The interests of this important element of the college must be given the earnest consideration of the trustees as soon as possible after they have assumed office.

g) The budget process

Although ongoing commitments of the college have determined the budgetary expenditures for the academic year 1976-77, thus rendering the trustees virtually powerless to effect major changes, the Commission

strongly urges that budget review procedures be instituted at the earliest date to monitor the financial operations of the several departments of the college. This process may effect savings in many areas and assure that all personnel are mindful of their obligation to conserve the resources of the college at this time of financial exigency.

h) Discharge of mortgage on Shingwauk Hall

The purchase money mortgage securing payment of the sum of \$100,000 became due and payable on May 9th last. The trustees must make plans for the payment of these monies or for an extension of the mortgage, if the mortgagee is agreeable, upon terms which will not seriously impair the financial resources of the college.

i) The Fourth Line property

This property was purchased by the college in 1967 from funds donated to it by the City of Sault Ste. Marie. It was intended to establish a campus of the college at the site. Since it appears that the college no longer has a use for the property, it is recommended that the trustees consider an appropriate method of realizing upon the investment and employing the proceeds to assist in restoring the financial stability of the college.

j) Use of "Free Funds"

The preliminary report indicated that the college had available to it a substantial sum of money which it might employ without restriction. The trustees are urged to make a plan for the appropriate use of these funds. I venture to suggest that an area of high priority lies in recruitment. A portion of such funds

may usefully be employed for active promotional work by a Development Office and for scholarships and bursaries.

k) General financial administration

I found, in my preliminary report, that the procedures employed in the general financial administration of the college were satisfactory. It is assumed that the trustees will turn to the business manager, Mr. Tim Holmes, and direct him to institute all appropriate procedures for the conservation of the financial and other assets of the college and corporation. In so doing, Mr. Holmes must be relied upon as a resource person to provide major assistance in the matter of budgeting. He must assume that no change in formula financing will be made with regard to the college and its programmes and that no additional capital funds will be made available to it. In this regard, reference is again made to the obligation to discharge the mortgage upon Shingwauk Hall.

l) Implementation of the pension plan

The adoption of a new pension plan was, as the preliminary report indicates, the source of great tension within the college. The plan has now been prepared and copies have been placed in the hands of members of faculty. The Commission urges that appropriate steps be taken through the college's consultants, Messrs. Peat, Marwick & Co., to conclude all formalities with regard to the plan at the earliest date.

m) Relations with the Ministry of Colleges and Universities

The preliminary report of the Commission was particularly critical of the college having disregarded injunctions and directives of the Ministry of Colleges and Universities.

A strong effort must be made by the trustees to re-establish the credibility of the college with the Ministry.

n) Relationships with Laurentian University

The Commission, in its final report, will make certain recommendations relative to the affiliation of Algoma University College to Laurentian University. During the transitional period, the Board of Trustees is urged to maintain close contact with President Monahan of Laurentian University, particularly with a view to developing programmes and courses which are mutually supportive. In recommending contact with Dr. Monahan, the Commission reflects its confidence in his wisdom and judgment and commends to the trustees his sound advice and knowledge of the educational needs of Northern Ontario.

o) The Advisory Council

In my preliminary report, I recommended the establishment of an Advisory Council to the Board of Trustees having a membership not in excess of eight in number. These persons are to be appointed by the Board of Trustees and to undertake such duties, particularly in the area of proposing policies relating to development, fund raising, alumni affairs, recruiting and outreach into the community, as the Board may determine. It is recommended that the Board give consideration to the appointment of members of the Advisory Council as soon as possible.

It is to be hoped that the composition of such Council will be broadly representative of the Sault Ste. Marie and Algoma communities.

It is also recommended that the Board of Trustees seek the advice of the corporation's solicitor at the earliest date in order that he may provide a structure and procedures for the Advisory Council and devise an appropriate method for it to report to the Board of Trustees. It is further recommended, in view of the emphasis given to development in the outline of the Advisory Council's duties in the preliminary report, that its secretary be the Development Officer of the college.

p) The establishment of an Office of Development

It is suggested that serious consideration be given to the establishment of a Development Office and that a Development Officer be appointed to head such operation.

In making this proposal, I am mindful of the substantial cost implications. However, in my analysis of the position of the college, I think that a high priority must be assigned to development and recruiting.

The Development Officer, who must work closely with the Registrar and Public Relations Officer of the college, would assume overall responsibility for recruiting, secondary school liaison, extension and adult education, fund raising, alumni, scholarships, bursaries and job placement for students, student housing service, publications and, of course, public relations. All of these functions might be grouped within the Office of Development. Several could be undertaken by a single person. Others, of an appropriate nature, might be assigned to a faculty member whose course load, for the time being, is light.

The Development Officer would be responsible for organizing and administering an integrated programme of development. The cost of such a programme might initially be paid out of the "free funds" available to the college in view of its importance.

Each function deserves comment:

i) Recruiting

I have made several comments in this report on recruiting. Increasing student intake is critical to the future of the college. No opportunity should be overlooked. Everyone associated with the college must make its programmes known through direct personal contact with prospective students and their parents, speaking engagements before service clubs, social organizations, church groups, trade union, employers and trade associations and other organizations.

The Office of the Registrar must be particularly responsive to inquiries and assist the Development Officer in every way, to "merchandize" the college.

ii) Secondary school liaison

This phase of the work of the Development Office must be organized systematically and close contact must be maintained with secondary school guidance and other teachers. A programme providing for visits to the college by secondary school students must be organized.

iii) Industry, labour and community liaison:

Extension programmes and Adult Education

These areas may be considered together. The college must develop a greater sensitivity and responsiveness to community needs. Industry and trade unions today are giving increasing emphasis not only to career development but also the personal enrichment of their employees and members and their families. The college must be responsive to this impulse and foster its development.

iv) Fund raising

During the public hearings, mention was made on several occasions of the need for mounting a fund raising programme. Certainly, if the college can re-establish its viability, a fund raising campaign will ultimately be undertaken. Thus the preliminary organization of such a campaign should be considered within the Development Office. I suggest however, that no active steps be taken to mount a campaign in the immediate future. The success of such a campaign must necessarily depend upon the college restoring its credibility within the community. This will not be accomplished overnight.

v) Alumni

No major effort has been given to organizing the alumni of the college into a strong, vital force for the support of the institution. It is urged that this be undertaken as soon as possible. Since secretarial assistance and the maintenance of records is critical to such organization, it is suggested that this function be assumed by the Development Office. In so doing, valuable information will be recorded and duplication of work and records will be avoided.

vi) Scholarships, bursaries and job placement for students

These constitute a major recruiting tool and as such they demand special emphasis. In particular, it is suggested that the Development Office coordinate activities within the college relating to job placements and assume the responsibility for liaison with Canada Manpower.

vii) Student housing service

It is my belief that the Algoma District holds a keen attraction to some students in southern Ontario and offers an attractive alternative to those who wish to avoid the congestion of large urban centres and the impersonal relations of the campuses of southern universities.

It is unrealistic to consider the construction of student residences. However, if a housing service can be established to list available accommodation for students in private homes and apartment blocks, it would aid in recruiting students from outside Sault Ste. Marie.

This function, I believe, should be located within the Development Office.

viii) Publications

All publications, I suggest, including the college calendar, should be the responsibility of the Development Officer. This would assure appropriate emphasis being given in the preparation and distribution of publications to the development programme of the college.

ix) Public relations

Little need be said concerning this function whose scope is well known, other than to repeat what has been emphasized elsewhere in this report, namely that every person connected with the college must consider himself to be an ex officio public relations officer and recruiter for the institution.

As this section indicates, the work of the public relations officer must be directed and supervised by the Development Officer in order that efforts may be maximized.

To reinforce the comments I have made concerning public relations, recruiting and development, I would observe that there is nothing wrong with "merchandizing". It is not incompatible with the dignity of an academic institution. Indeed, it is consistent with the objectives of the institution to make its services and resources known to the public. A vigorous public relations programme must be undertaken within Sault Ste. Marie and the Algoma District, and also Sault Ste. Marie, Michigan, to make known the resources and offerings of the college.

Every person with whom a staff member of the college comes into contact should be viewed as a potential recruit to the regular or extension programmes of the college. These informal activities will complement those of the Development Office to assure a systematic, comprehensive and efficient programme.

It is urged that planning be undertaken in this vital area as soon as possible.

The foregoing comments are intended to provide a broad overview of the areas to be considered in the development of the college. They contain nothing new or original. They have been mentioned, however, because in our inquiry I have discerned a certain lack of awareness of their importance and a lack of responsiveness on the part of some members of the college staff.

It is suggested that this section will be of particular interest and concern to the Advisory Council.

Finally, mention will be made elsewhere in this report concerning the network of relationships with other institutions which I believe is possible for the college to establish. I believe that the Development Officer can provide valuable service by assisting the President and other officials in the development of these relationships.

q) The athletic and recreational programme of the college and student activities

It is suggested consideration be given to placing these functions within the purview, if not under direct supervision and control of the Development Officer.

Amongst the foremost attractions of the Algoma District is its appeal to the sportsman and outdoorsman. Every effort should be made to develop the athletic and recreational programmes of the college as a device for recruiting and in this connection, an attempt should be made to find an appropriate arrangement for access to the elaborate facilities of Lake Superior State College.

Insofar as student activities are concerned, I note the complaint from students that these are inadequate. Such activities are an integral part of university life and as such must be accorded a high priority in planning. Since inadequacies may reflect unfavourably upon recruiting, it may be that they should come under the direct scrutiny of the Development Officer.

r) The Registrar's Office

The traditional role of the registrar, and his relationship to college faculty and administration, need not be commented upon other than to note the key role played by this official in recruiting.

It is particularly important that this role be emphasized and that every effort be made by the registrar and his staff to respond to inquiries and to assist in the active development of recruiting. They must take a particularly active role in the extension and adult education activities of the college and work closely with the Development Officer in establishing close relations with industry, business, trade unions, professional and vocational groups and others. In so doing, community needs will be discerned and efforts can be directed toward their fulfilment.

s) Instructing the auditors of the college

The Commission noted with concern that the auditors had, during the first several years of their tenure of office, failed to issue management letters to the corporation. I also gained the impression there was inadequate liaison between the auditors and the officers of the corporation. It is urged that a much closer relationship be developed with the auditors in the future in order to assure appropriate participation by them in financial planning and control within the college.

t) The corporation's legal counsel

The operation of an educational, and indeed any institution today is a complex undertaking requiring a detailed knowledge of laws and their application. I note with concern that the college has not employed the services

of legal counsel on a regular and continuing basis. I believe this to be a serious omission. Many problems might well have been avoided had legal counsel, familiar with all operations of the college, been consulted in a timely fashion.

I urge that this deficiency be corrected.

I conclude the foregoing section with an apology. Much of what I have stated is obvious. In some cases, I have commented, however, because factors have been overlooked by the administration of the college. In others, I have merely attempted to underscore important areas of concern to the trustees. Obviously, some have been overlooked. I hope, however, that the general comments will be helpful to the trustees as they begin their work and will make others more knowledgeable about the affairs of the college.

### VIII. THE IDENTITY CRISIS OF THE COLLEGE

Algoma University College, I believe, suffered for many years from an identity crisis. It came into existence at the same time as Sault College of Applied Arts and Technology. Though each was intended to serve a particular function, there has been much overlap in programmes and relatively little coordination or cooperation. Each has been in competition with the other. It is clear that this has been damaging to Algoma.

In many ways, the C.A.A.T. college, part of a system designed to meet changing student demands, has been more responsive to the needs of the community. As a consequence, it has enjoyed wider support.

As well, Algoma has laboured under the shadow of Lake Superior State College, whose extensive facilities pose a continuing competitive threat to it.

If Algoma University College is to succeed, it must identify its proper role and the means by which it may best serve the cultural, social and recreational needs of the community.

Thus, the central question before the Board of Trustees and all elements of the college is whether there is, in fact, an appropriate role to be played by the college within Sault Ste. Marie and the Algoma District.

It is to be hoped that this question need not be answered on a purely economic basis. Nevertheless, certain facts cannot be overlooked. In today's economic environment, with ever-increasing demands for wider social, welfare and health services, an educational institution that has no clearly defined and appropriate role cannot be permitted to survive.

Certainly, the answer does not lie in the continued competition with Sault College and Lake Superior State College.

It may be that the college must no longer regard itself as a free-standing institution but rather as a part of a regional system in which the components contribute to a comprehensive scheme for educational and cultural development.

This will demand a global overview of all of the cultural, recreational and educational facilities within the Sault Ste. Marie area. An examination of these facilities, their strengths and weaknesses, may reveal a basis for rationalization and integration which will permit an appropriate role to be played by the college.

## IX. A COMPLEX OF RELATIONSHIPS

There is justifiable concern as to whether Algoma University College can continue to exist, even under the most efficient management, as a narrowly-based liberal Arts college. However, if it can identify an appropriate role for itself in the complex of facilities and institutions in the Sault Ste. Marie area, it is conceivable that it may make a contribution greater than that originally envisaged for it.

It is suggested that the college must be perceived as more than an educational facility. Its objectives must be expanded to include its playing a vigorous role in the cultural, social and recreational life of the community.

The Algoma District must be viewed as a self-contained entity which must, because of its relative isolation, look inwards and draw upon its own resources. These resources must be organized in the most efficient manner possible in order to provide for the educational, cultural and recreational needs of the district.

The college can play a vital role in this undertaking. Thus, the greatest challenge to Algoma's administration lies in establishing appropriate relationships with existing institutions. This will require imagination, hard work and patience.

The other institutions include Sault College, Lake Superior State College, Great Lakes Forest Research Centre which includes the Laboratory of Insect Pathology and the various school boards within the Sault Ste. Marie and Algoma districts. They also include major industries and trade unions such as Algoma Steel Corporation and the United Steelworkers of America which themselves undertake educational programmes.

In the undertaking of educational programmes in concert with other institutions, no regard should be had for whether they fall within the ambit of the secondary school system, the C.A.A.T. college or the university. The sole determinant should be response to the community's needs.

These efforts need not be directed alone to the matter of educational offerings and programmes. They should be enlarged to include cultural and recreational activities as well.

And further, they might lead eventually to a sharing of administrative, testing and evaluation services, the sharing of plant maintenance and repair facilities and most certainly, consideration should be given to the sharing of administrative services and personnel and athletic and recreational equipment.

These programmes would not merely achieve economies and maximize available facilities, but they would create an entirely new dimension to opportunities in the area through mutual cooperative planning.

The relationship with Lake Superior State College must be examined with the greatest care and every effort made to develop joint programmes with it. Nationalistic pride should not be permitted to deter such cooperation. It seems nonsensical that the international border should present a barrier which prevents cooperation between institutions which are located fifteen minutes apart from one another across the Sault Ste. Marie International Bridge.

It might well be that the careful development of relationships between Lake Superior State College and Algoma University College might ultimately realize the early hope of educators in the Sault Ste. Marie area for an international degree.

Lest these proposals be misunderstood, they ought not to be taken to imply a severing of ties with Algoma's parent institution, Laurentian University.

Rather, they should be seen as indicating further opportunities for development by enlarging the contacts and relationships which are available to the college and other educational facilities in the Algoma District. They do not imply, as the section on options which follows indicates, denial of the possibility for establishing relations with other universities and educational facilities elsewhere in Ontario.

Neither do they negate the possibility of a link with institutions such as the Royal Ontario Museum or organizations having a particular concern for the education and welfare of native peoples.

In undertaking such a process of rationalization and comprehensive regional planning, the Algoma area might anticipate a process of retrenchment which may be undertaken within the Ontario system in the years ahead and be better able to withstand the shock of substantially decreased enrolments.

#### Ancillary Undertakings

Mention must be made of three ancillary undertakings of the college, these being the Ahbenooje Nursery, the Algoma Conservatory of Music and the Keewatinung Institute.

1. The Ahbenooje Nursery This facility is illustrative of the kind of contribution which the college can make to the community. The nursery, serving the needs of parents in the East end of the City of Sault Ste. Marie, provides a service to a significant element of the community and at the same time publicizes the institution. The nursery is a valuable recruiting tool as well as a useful social service.

It is urged that the nursery continue to be administered through the office of the Business Manager and that ways and means be found to fund the undertaking, if necessary, from the free funds available to the college. It is further urged that the Board of Trustees consider the establishment of a small advisory committee to assist in the on-going plans and administration of the nursery.

2. The Algoma Conservatory of Music This facility has proved to be one of the most important elements of the college in terms of its contribution to the community. It is a good example of an ancillary enterprise whose undertakings coincide with the academic work of the college. It is urged that the trustees give consideration to ways and means whereby the work of the conservatory may be fully integrated with the college in order that the present unwieldy administration of the conservatory may be abandoned and that the conservatory corporation may be wound up and dissolved.

If the costs of operating the conservatory cannot be wholly justified as an appropriate academic expense, it is suggested that it be funded from free funds.

3. The Keewatinung Institute This organization is no longer active. At one time, there was a limited cooperative programme undertaken between it and the college. It is mentioned at this time to remind the college of its opportunity and perhaps obligation, to advance the interests and education of native peoples and to promote cross-cultural exchanges.

## X. OPTIONS FOR THE FUTURE

If a realistic plan is developed during the transitional period and steps are taken by the college to adopt a meaningful role within the strictures imposed by its environment, the Commission will make recommendations within its terms of reference for the restructuring of the college as an autonomous or semi-autonomous institution under local administrative and financial control. This would be proposed in the report to be issued in May, 1977.

Several proposals are available for consideration. They are enumerated in this part so that the Board of Trustees, members of the college staff and the community may be made aware of them. They are briefly sketched as follows:

### a) Closure

If it is found that, in light of falling enrolments, continued financial losses and lack of a clearly defined role within the community which is not presently filled by another institution and other factors, the college can no longer be justified, the Commission may recommend that it be closed down, its assets liquidated and distributed in accord with the provisions of its Supplementary Letters Patent.

### b) Continuation in affiliation to Laurentian University

If this course is adopted, it will involve, undoubtedly, the recommendation of certain changes in the nature of affiliation and in the affiliation agreement itself. These would likely relate to greater freedom being allowed Algoma in the matter of course offerings and wider representation on important university bodies to assure better communication for improved regional planning. On the other hand, the adoption of certain Laurentian procedures relative to appointments, promotions, tenure and the like must be foreseen in order to assure objectivity and freedom from bias.

- c) Dissolution of Algoma College Association and establishment of the college as a satellite campus of Laurentian or another university.

Despite the geographic separation, the possibility of direct operation of the Algoma campus by Laurentian or another university as a satellite must be considered in order to achieve certain economies and to assure close coordination and control of programmes.

- d) Transfer of physical facilities to Sault College

If studies should indicate that, over the long term, the cost of maintaining, operating and renovating the Shingwauk site is uneconomic, and integration and coordination of programmes require a concentration of all facilities at the Sault College site, this proposal must be considered. Such a transfer would envisage a certain degree of administrative integration, with the college probably, but not necessarily, continuing as an autonomous corporate body.

- e) Affiliation to Lake Superior State College

If, for reasons of economy, or in order to maximize educational opportunities and to compete more effectively with universities in Southern Ontario by providing wider course offerings, an affiliation to Lake Superior State College is indicated, this proposal will be considered.

- f) The establishment of an international university

This concept, expressed many years ago and revived late in the Commission's public hearings, might well be considered. It would involve a common undertaking by Algoma and Lake Superior in partnership.

- g) Affiliation to an Ontario university other than Laurentian

If, in terms of a new role being defined for Algoma, it was found that affiliation to Laurentian was unsuitable

or inappropriate, consideration would be given to an affiliation, in traditional terms, with another university in Northern or Southern Ontario.

h) The establishment of Algoma University College as a free-standing university

Although this possibility would appear remote and unrealistic in light of Algoma's recent history and the realities of its environment, the proposal has been made by a number of thoughtful and informed persons and, therefore, cannot be dismissed as a possibility.

i) Reduction of Algoma University College offerings to first or second year

This proposal has been put forward as a device to reduce costs, and restore the college to a viable condition. Its ramifications and implications are very wide. It is expected that the trustees will give it their consideration.

It is open to me to adopt a combination of several of the foregoing proposals. For example, continued affiliation with Laurentian should not preclude the development of a combination of programmes offered through cooperative use of personnel and facilities of Algoma, Sault College, Lake Superior State College and, indeed, other universities; these programmes would lead to degrees, diplomas and certificates, depending upon the nature of the programme, granted by that university or college which is designated by the participants as being the primary agency.

Such flexibility, though difficult to achieve in administrative terms and requiring careful and patient negotiation, would greatly enhance educational opportunities in the area.

The foregoing options are exposed at this time to indicate to the trustees and other interested persons, the direction which the Commission's final report may take.

I would be grateful if, during their term of office, the trustees would consider these options and make comments upon them to me. I will give great weight to their considered views.

## XI. THE FACULTY: A CHALLENGE

There is no question, from the evidence adduced at the hearings, that tension and unrest have existed for some time within the faculty of the college. It is unnecessary, for the purposes of this report, to undertake an analysis of this situation. The object of this report is to look ahead to the future in the hope that the college may survive its present distress.

If it is to survive, the complete and absolute dedication of all members of the faculty must be devoted to its welfare. In this regard, the Commission commends the very positive approach taken by Dr. Lloyd Bannerman, President of the Faculty Association, who made a pledge which must be adopted by all members of faculty.

He said the following:

"....the Faculty Association...are willing to make very genuine and substantial sacrifices under a suitable climate for the welfare of the college."

And again,

"We have discussed among ourselves and are prepared to cooperate in consideration of innovative and radical measures, including measures which may well necessitate monetary sacrifices on our part and we realize that time is of the essence. But we must state in absolute frankness that we can achieve nothing under the existing regime."

I would like again to make some general observations concerning the faculty. I believe that the academic staff in a small college such as Algoma must have different characteristics and different motivations from those within a larger university. Opportunities for research in many disciplines are severely limited at the college. On the other hand, as is often the case in small institutions, the burdens and demands imposed on individual faculty members and the breadth of their knowledge and skills must be greater than one finds in larger institutions.

The criteria for advancement in multi-facultied universities involves a more or less equal balance between teaching skills, quality of research and publications, contributions to the internal administration of the university and community service. The emphasis given to these several criteria differ somewhat from university to university and amongst the several disciplines.

Within a small college, if it is to operate efficiently and effectively and be responsive to the community it serves, I believe the members of faculty must be the proverbial " jacks of all trades ". They should have a flexibility and scope of learning which is sufficiently broad to permit them to move with facility within several cognate disciplines. They must have a greater empathy with their students and be concerned to assure the inculcation of a spirit of true scholarship amongst them. In lieu of research, they must be prepared to devote their time and skills to the work of the community.

In all the disciplines represented within the college, each faculty member has a particular expertise which is of value to the community. The community must be made aware of these skills and each faculty member must actively seek and accept opportunities to serve the community.

In so doing he will, I believe, justify the existence of the college.

For example, all the members of the geography department are active in community planning and associated work. Persons in the social science division are active in community organizations. The Faculty Association itself, in conjunction with the college's Development Office, should undertake a cataloguing of the skills and expertise of faculty members on the one hand and the needs of the community on the other, and actively seek opportunities for lending assistance and help. In so doing they will make a clear demonstration of the importance of the college to the cultural, social, recreational and educational needs of the community.

In the area of recruiting, which is presently and will continue to be an area of vital importance to the college, the faculty can perform a critical service. Each must be thoroughly familiar with and aware of all programmes within the college. Each must assure that academic standards are maintained and that these are fully acceptable to the major universities in the north and south of Ontario so the students may be assured that they may transfer from Algoma to the other universities without suffering any loss of academic credits.

Each faculty member and indeed, members of his or her family must consider themselves to be unofficial recruiting agents for the college. They must actively solicit students to the regular and extension programmes of the institution. To do so, they must take every opportunity to accept speaking engagements at service clubs, ethnic organizations, trade unions, church groups and other organizations in order to make the facilities of the college known to the community.

The Development Office can organize such a programme on a regular and systematic basis.

But this programme ought not to be considered as a temporary expedient. It should be accepted by faculty members as their regular, continuing obligation throughout their term of service to Algoma University College and their performance in this area must be an important criterion in determining advancement within the college.

This chapter is entitled "A Challenge" to the faculty. It is a challenge since without such active participation, I am strongly persuaded that, in its present environment, the continuance of the college as presently structured, cannot be justified. It is an opportunity as well as a challenge, however, since it is in the best traditions of academic life that teachers enter into the community in the way I have described.

## XII. THE COMMUNITY: AN OPPORTUNITY

I have the impression that many within the Sault Ste. Marie area have never fully appreciated the full value of the college. Perhaps this is because, since its early years, it has been the centre of controversy and strife.

The community is entitled to make a judgment upon the performance of the college and its members. It is entitled to hold them accountable and to demand that they be responsive to the needs of the community. They are entitled to regard the property and facilities of the college as community property and to demand that they be employed efficiently and effectively for their benefit.

The college can respond only if it is made aware of community needs. Student demand must express itself.

And the public is entitled to expect that all facilities and services which are established and maintained by all levels of government will cooperate and act in concert to serve the needs of the community. The public is entitled to criticize any failure to cooperate which arises out of narrow and unworthy reasons relating to institutional jealousies and professional bias.

For the public, it is results which count. I venture to say that, with the wide range of facilities available within Sault Ste. Marie--educational, cultural, recreational, scientific, there are few amenities which would be lacking if full cooperation were achieved.

I do not believe that Algoma University College has made the contribution to the community that it is capable of making.

I think that the community now has an opportunity to insist upon the full employment of the college and its close cooperation with other facilities in the area.

It is the duty of the trustees to ensure an effective and appropriate response by the college and its staff. Persons within the community--individuals, personnel and education directors of industry and trade unions, heads of cultural and recreational organizations, persons involved in the delivery of health and welfare services--indeed all, must adopt a proprietary interest in the college and make it their own. They should offer constructive criticism upon its work and propose appropriate programmes for consideration.

If the community responds in this fashion, the college can and will become more responsive and efficient.

In the final analysis, it is the community which must ultimately determine whether the college may justifiably continue in existence.

The opportunity for registering this decision is now at hand.

### XIII. THE GOVERNMENT: A RESPONSIBILITY

I venture to suggest that the government has an obligation to say "no" on occasion, even in the face of the most compelling pressure from its constituents.

These occasions arise when there is no apparent justification for the project sought by the constituents.

Such occasions, I believe, were presented by Algoma University College.

During the public hearings, it was said on more than one occasion that the government had acted inconsistently. These observations were justified, even though those who made them were not entitled to offer the criticism since they had themselves created the pressure which forced the concessions.

The government bent to community pressure on the transfer of the location from Sault College, on the funding of the library construction, on the purchase of Shingwauk Hall and on the rapid transition from a one to a three-year programme.

All of these decisions, albeit initiated by the college, and in several cases acted upon before the government could make comment, contributed to the general state of disarray which I found after undertaking my inquiry.

My reason for offering this criticism is positive. Though I acknowledge the wisdom of the government's policy of maintaining a distance from universities and of avoiding interference in their internal operations, I suggest that there are many things of a positive, constructive nature that can and should be done.

The Algoma District, as I have indicated, is served by a complex of government institutions--health, welfare, education, environment. I suggest that if broad planning concepts can be introduced, proposing the rationalization of facilities and programmes through close cooperation and mutual sharing of facilities, personnel and services by all agencies, their contribution would be maximized and their operations rendered more productive.

At the commencement of the hearings I made reference to the following statements contained in the Ontario Council on University Affairs Advisory Memorandum 75-VII, entitled, "The Allocation of the Government's Operating Support for the University System in 1976-77".

"The current economic climate indicates that it is the better part of prudence for all concerned, and particularly institutions with special funding claims based on elusive grounds, to anticipate in their internal planning and decision-making a level and distribution of public resources that reflects increasing stringency."

and later:

"...Council wishes to register its appreciation of the special contribution of northern universities to the cultural life of their communities. Council senses that this contribution in many instances may be such that appropriate examples of its range should be brought to the sympathetic attention of the Ministry of Culture and Recreation by the institutions involved."

These observations imply a recognition that, in order to assure better utilization of public resources an appropriate process of rationalization should be undertaken. This process would involve not only the Ministry of Colleges and Universities, but also Culture and Recreation, Health and Community and Social Services and possibly other ministries of government.

The broad thesis I have adopted in this report is that Algoma University College may be able to identify a viable role for itself if it enters into a network of relationships which permits it to make a greater contribution to the community. This would not be easy to accomplish. It would demand, as I have indicated, much patient negotiation and careful planning and research. It would, inevitably, raise questions which threaten established interests, cause inconvenience or result in conflict.

These obstacles must be overcome if the objective is worthwhile and the community better served.

In the draft report entitled, "The Northern Dilemma: Public Policy and Post-secondary Education in Northern Ontario: by David M. Cameron with Peter J. Kuch dated June, 1976, it is observed that the Ministry of Colleges and Universities operates through college and university divisions which function in considerable isolation from each other. Though this arrangement may be satisfactory with respect to Southern Ontario institutions, the report states that it leaves no body in a position to consider overall problems and requirements for post-secondary education in Northern Ontario and precludes provincial leadership in encouraging university-C.A.A.T. college cooperation.

The report recommends establishment of a joint committee on Northern post-secondary education as a mechanism for reviewing this problem.

I commend this proposal to the Ministry for its earnest consideration.

I suggest as well, a somewhat more modest proposal; namely, that consideration be given to the designation of a senior official within the Ministry whose primary responsibility would be liaison with all universities, their affiliates and the C.A.A.T. colleges

in Northern Ontario. Such person would soon acquire a comprehensive knowledge of northern educational facilities and an awareness of their special environmental problems, thus being able to act as a resource person to assist all such institutions.

This person could also become directly involved, as an authoritative spokesman for the Ministry in the cooperative development of programmes and use of facilities. In so doing, there would be an assurance that the interests of the community as a whole would be given full consideration and the parochial interests of particular institutions would not be permitted to frustrate the rationalizing process.

I believe that the future viability of Algoma University College depends upon its developing the kind of cooperative arrangements described both in this report and that of Dr. Cameron. The same observation may apply to all post-secondary institutions in Northern Ontario.

I believe that the government, through the Ministry of Colleges and Universities, has a responsibility to monitor these efforts and to use its offices to encourage and indeed, insist upon appropriate solutions being adopted and implemented.

XIV. THE ROLE OF THE COMMISSION DURING  
THE TRANSITIONAL PERIOD

With the delivery of this report, the Commission will close its office in Sault Ste. Marie. From time to time, I will receive reports from the Board of Trustees and consult with them. I will ask that they forward to me minutes of their meetings and other materials of an important nature so that I may be kept informed.

The transitional period will be one of signal importance to the college since its performance during the year will determine, to a large extent, the nature of the option to be adopted by me and recommended in my final report.

Since the trustees will require, from time to time, the assistance of consultants and other experts, I would recommend, for the consideration of the Lieutenant Governor-in-Council, that I be permitted to authorize the engagement of consultants and that the terms of their engagement and remuneration be determined and paid by the Commission subject to the limitations imposed upon me under the terms of my appointment.

I would further recommend that the salary and necessary disbursements of the Chairman of the Board of Trustees be paid by the Commission and not imposed as a charge upon the college. I would also recommend that honoraria, if any, paid to other members of the Board of Trustees be a charge upon the Commission.

I expect that the consultations between the Board of Trustees and myself and the reports received from them will provide valuable insights to me for the preparation of my final report in or about May of 1977.

In preparation for delivery of the final report, I will maintain contact with members of my staff and, in due time, call them together for the purpose of considering the preparation of the final report. Thereafter the document will be prepared, containing recommendations required to be made in accordance with the Terms of Reference set forth in Orders-in-Council OC 616/76 and OC 1248/76.

XV. CONCLUSION

It is my hope that the within report will be of assistance, particularly to the trustees, in understanding conditions at Algoma University College and in identifying areas of particular concern.

In tendering it, I am mindful of its superficial nature and its many shortcomings. The faults are mine.

By way of explanation, but not excuse, I must observe that the period since appointment of the Commission has been one of intense and unrelieved activity. This was made necessary because of the large number of questions to be resolved, the wide scope of the inquiry and the severe time frame which circumstances imposed. Time has not permitted the intensive research we should like to have undertaken into many of the questions which were raised.

It is my hope that during the coming months, a justifiable role can be found for the college and that its many problems can be resolved. In particular, I would hope that everyone who has been directly involved in its affairs and who has been affected in some way or another by its problems--governors, directors, principal, faculty, administration, support staff and students, can find tranquility and relief from the tensions of the past many months.

I think I have, if nothing else, clearly indicated the nature and magnitude of the task ahead.

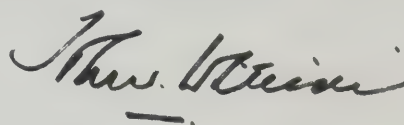
I will, as I have said earlier, stand ready to render such assistance as I can in the months ahead.

In closing, I wish to record again my thanks to my staff and in particular to Mr. Keller and Ms. Meanwell who have carried

a heavy burden in preparing this second report and to Ms. Marianne Skinner and Ms. Pat Smith for their hard work in typing and assembling the report.

Dated at Sault Ste. Marie, Ontario, this 29th day of July, 1976.

All of which is respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mr. Stein", with a horizontal line underneath.

Commissioner

APPENDIX A - LETTER TO MINISTER



John W. Whiteside, O.C.  
Commissioner  
Rodney Hull, O.C.  
Counsel  
Anthony Keller, LL.B.  
Registrar  
Catherine Meanwell, LL.B.  
Assistant Registrar

The Royal Commission  
on  
Algoma University College

c/o Holiday Inn  
Room 923  
208 St. Mary's River Drive  
Sault Ste. Marie Ontario  
P6A 5V4

July 22, 1976

The Honourable H.C. Parrott  
Minister of Colleges and Universities  
6th Floor, Mowat Block  
Queen's Park  
Toronto, Ontario

Dear Dr. Parrott:

My staff and I thank you for your reviewing with us the results of your discussion with the Board of Directors of Algoma College Association yesterday afternoon.

We are pleased to learn that the Board is prepared to accept the Commission's recommendations in principle.

In order that you may be better able to formulate a recommendation to Cabinet, I would take this opportunity to comment upon the specific proposals contained in the resolution adopted by the Board on Tuesday, July 20, and delivered to you yesterday. In so doing, I refer to the numbers contained in the resolution. The comments are as follows:

- 1) A heavy burden will be cast upon the academic administrator appointed President of the Corporation. In order to function effectively, there must be a high degree of personal compatibility between him and his fellow trustees. Further, the trustees must be selected with a view to assuring that their experience and knowledge are such that they will make a full contribution to the work of the Board of Trustees. For these reasons, we feel that appointments to the Board of Trustees by Order-in-Council should be made only after there is full consultation with the President-designate.
- 2) The revised wording of Recommendation No. 8 of the Preliminary Report, namely, that all powers, duties, rights and obligations of the Principal shall be transferred to and shall be vested in the President of the Corporation, is compatible with the proposal contained in the report.
- 3) The vesting of assets upon dissolution in a corporation having similar objects within the City of Sault Ste. Marie rather than Northern Ontario is an appropriate acknowledgment of the obligation of the institution to the city in which it is located.

- 4) At the meeting of the Board of Directors held yesterday, they indicated their unanimous belief that all rights of faculty relative to policy statements were fully protected by reason of certain agreements made between the college and the Algoma University College Faculty Association.

It was for this reason that they considered it to be unnecessary to have the policy statements confirmed by Supplementary Letters Patent.

This documentation has now been re-examined by us. It is our opinion and that of a senior member of the legal staff of the Ministry of Labour that considerable confusion exists with regard to the cumulative effect of an agreement made on December 19, 1975, assuring the retention of policies as practised and mutually agreed upon, and an agreement dated February 20, 1976, relating to salaries and other allowances.

Specifically, there is a question as to whether these documents constitute a collective agreement within the meaning of the Labour Relations Act.

Further, there appears to be a difference of opinion between Counsel representing the college and Counsel for the Faculty Association with respect to the true effect of the documents. The college has served notice of its intention to bargain under Section 45(1) of the Statute, thus implying its belief that the documentation constitutes a collective agreement. The Association, on the other hand, upon the advice of Counsel, has served notice under Section 13 of the Act. This section relates to a first agreement. Thus, the Association is implying that no collective agreement is presently in effect.

In view of the position of the Board stated to you yesterday, it is our belief that Recommendation No. 11 may be disregarded at the present time provided that the Board of Trustees, at the time of their appointment, are instructed to address themselves to the question of an appropriate confirmation of academic policies while negotiating a collective agreement for the year 1976-77.

In this connection, we would anticipate certain recommendations to be made in our second report, to be released on July 31st next, relative to academic policies. We propose to recommend that, in light of the possibility of major changes being recommended in the structure of the college and the function of its staff, the college and the Association confine their collective bargaining to monetary matters alone and that only such changes as are urgently required to be made in academic practices be the subject of bargaining.

It is my understanding that, with regard to the support staff, the Board of Directors will adopt a Special Resolution confirming practices relating to this group of employees which does not presently enjoy contractual protection.

- 5) It is assumed that, if the Board of Trustees should decide to appoint a person to the proposed office of Special Assistant to the President, they will give every serious consideration to the incumbent Principal as well as to other persons.

I hope the foregoing may be of assistance to you in weighing the recommendations contained in the Preliminary Report of the Commission.

Yours very truly,

A handwritten signature in cursive script, appearing to read "J.W. Whiteside".

J.W. Whiteside  
Commissioner

## APPENDIX B - RESOLUTION

Extract from the Minutes of a Meeting of the Board of Directors  
of Algoma College Association held on Tuesday, July 20, 1976

On motion, duly made and carried, It Was Resolved That the Board of Directors with the best interests of the College in mind, inform the Minister of Colleges and Universities that they are prepared to accept the recommendation of Professor John W. Whiteside, Q.C. in principle, subject to the following amendments to the specific recommendations:

- 1) That Item No. 4 be amended to read "and the third representative of the Board of Trustees be a respected member of the community and not be a member of the Board of Directors or Board of Governors".
- 2) That Item No. 8 be reworded as follows: "that, as of the date of issue of the Supplementary Letters Patent, all of the powers, duties, rights and obligations of the principal shall be transferred to and shall be vested in the president of the corporation,"
- 3) That Item No. 9 be reworded by the substitution of the word "Sault Ste. Marie" for "Northern Ontario".
- 4) That Item No. 11 should not be included in an application for Supplementary Letters Patent, nor should the Board act in any way to adopt, ratify, approve or confirm the various policy statements referred to in this item.
- 5) That Item No. 12 be accepted provided that Dr. Watkins be given every serious consideration for the position.

## APPENDIX C - LAKE SUPERIOR

### Lake Superior State College

Lake Superior State College is a fully-accredited state college located in Sault Ste. Marie, Michigan. It is divided into two main schools, School of Arts and Social Sciences and the School of Science and Technology. Arts and Sciences contains the following departments: Behavioural Sciences, Business and Economics, Education, English Language and Literature, History and Political Science, Humanities, and Physical Education. The school of Science and Technology is made up of the following departments: Biological Sciences; Chem-Physics; Earth Sciences which includes Geology, Geography and Environmental Science; Engineering Technology; Mathematics; and Nursing.

Most students enrol in a programme in one of the above thirteen departments but as well there are students who have not enrolled in any one department.

The college offers a four-year Baccalaureate programs in Arts, Business, Science and Engineering. Undergraduates in the Engineering Programme must complete their fourth years studies at Central Michigan College. As well, there are one-year certificate and two-year associate degree programmes in some areas. The following is a list of courses offered with an indication of the degree obtainable:

Accounting	B.S.
Anthropology	
Art	
Biology	B.A.
Biological Sciences	B.S.
Business Administration	B.S.
Business Education	B.S.
Business	Two-year associate degree.
Chemistry	B.S., B.A.
Clerk-typist	One-year certificate
Computer Engineer Technician	Two-year associate degree
Construction Engineer Technician	Two-year associate degree

Distributive Education	
Drafting and Design Engr. Tech.	Two-year associate degree
Earth Science	B.A., B.S.
Economics	B.A.
Electronic Engineering Tech.	B.S., two-year associate degree
English Language and Literature	B.A.
Environmental Science	B.S.
Executive Secretarial	Two-year associate degree
Finance	
Food Service Management	Two-year associate degree
French	
Geography	
Geology	
History	B.A.
Humanities	
Industrial Education	B.S.
Industrial Relations	
Journalism	
Law Enforcement	Two-year associate degree; 1-yr. cert.
Liberal Arts	Two-year associate degree
Management	
Marketing	
Mathematics	B.S., B.A.
Mechanical Engineering Tech.	B.S., Two-year associate degree
Mechanical Drafting	One-year certificate
Medical Technology	B.S.
Mental Health Aide	Two-year associate degree
Military Science (Army ROTC)	
Natural Resources Technology	Two-year associate degree
Nursing	Two-year associate degree, B.A.
Nursing Home Management	B.S.
Office Administration	
Physical Education	
Physics	
Political Science	B.A.

Psychology	B.A., B.S.
Secretarial Executive	Two-year associate degree
Secretarial Science	
Social Science	B.A., B.S.
Sociology	B.A., B.S.
Speech/Drama	B.A.
Stenography	One-year certificate
Teacher Education	
Technical Accounting	Two-year associate degree
Technology	
Vocational-Technical	B.S.
Water Quality Tech.	

Limited graduate courses are offered in the Department of Education in conjunction with Northern Michigan University, Marquette, Michigan. The Department of Business and Economics is planning to offer some graduate courses under the aegis of another university. This programme is being initiated partly in response to a request from Algoma Steel Company administration for graduate Business studies.

L.S.S.C. already plays a role in continuing education in this community by providing management courses and instructors to local industry, and in particular, Algoma Steel. I understand that efforts taken by Algoma Steel to develop several programmes with Algoma University College have not materialized due primarily to the operating restrictions placed on the college.

From the list of courses offered, it appears that Lake Superior State College combines the role of a university and a C.A.A.T. college in the breadth of its programming to respond to needs perceived within the community.

The full-time student enrolment at L.S.S.C. is 1,765 and the part-time enrolment is 598. There are 8 students enrolled in graduate courses.

There are 105 full-time faculty and 18 sessional faculty.

In 1975 the Michigan State Legislature reduced fees to out-of-state students from northern Ontario from approximately \$1,500 to about \$600 for 1976-77. Accordingly, enrolment of Canadian students is on the increase and L.S.S.C. officials estimate that of the predicted 93 Canadian enrolment total, about one-half of this number would be commuting daily from Sault Ste. Marie, Canada.

The following excerpt from the L.S.S.C. calendar describing the activities of the Department of Part-Time Studies outlines the role this department sees for itself. The statement of purpose supports the earlier contention that L.S.S.C. fills the role both of a university and a community college.

"Responsibilities of Lake Superior State College extend beyond the boundaries of the campus to people in all walks of life.

"The Department of part-time studies makes college teaching, conference, classroom and laboratory facilities available to the entire Upper Peninsula region, the northern Lower Peninsula, and to our Canadian neighbors north of the border.

"The Department sponsors adult evening courses in a wide variety of subjects. It makes Lake Superior State College the conference center of the eastern Upper Peninsula by serving as host to educators, businessmen, engineers, and to scientific, lumbering, forestry and other civic and professional groups.

"Instruction is offered on the Sault Campus; Sault Ste. Marie, Ontario; Kinecheloe Air Force Base, St. Ignace, Newberry and other communities.

"Professional staff members cooperate in area-wide, state-wide and nation-wide educational programmes which are aimed at the economic and social betterment of the area and its citizens. Seminars,

workshops, research projects, and public service programmes are utilized in these endeavours. Some of these services are rendered through radio, television, or film series presentations.

"The general purposes are to:

1. Stimulate community interest in cultural breadth, e.g., liberal education for the specialist, science education for the non-scientist, and general education for all.
2. Provide occupational training, e.g., retraining of unemployed and under-employed workers, refresher courses for professional people, demonstrations or discussions of new techniques.
3. Assist communities to solve community problems.
4. Develop training opportunities with industry.
5. Coordinate the development of pre-college institutes and summer programs."

In its committee structure, L.S.S.C. has a cultural affairs committee which attends to events that offer a cultural focus for the community. The Citizens' Advisory Council whose object is to maintain good relations and communications between the college and the community and service area ensures that the college is considering the needs of the community it serves.

As well, Wilbur T. Rabe, the Director of College Relations, has a wide reputation for innovative and vigorous public relations which keeps Lake Superior State College in the public eye, and more importantly, in potential students' minds.

L.S.S.C. has accomodation for single students in 6 different residences, providing a total of 964 beds. As well, there are 64 apartments in 3 buildings to accommodate married students. There is also faculty housing available on campus.

A \$10½ million dollar athletic complex, nearing completion, includes an ice arena, gymnasium, 2 pools, as well as facilities for most athletics activities. This will be a drawing card for potential students.

## APPENDIX D - SAULT COLLEGE

### SAULT COLLEGE

Sault College provides a post-secondary education alternative to students in the Algoma District.

For the 1975-76 academic year, Sault College had total full-time enrolment of 2,881 in various programmes. It is of interest to note that Sault College officials estimate 60% of their post-secondary students (550 in 1975-76) are from Algoma District and the remainder come from other parts of Ontario or outside of Ontario.

In 1975-76 Sault College provided part-time education to over 13,000 students in the Sault area or approximately 1 out of every 7 citizens in the community.

There is a full-time teaching staff of 140 and approximately 20 part-time teachers.

The college has two main divisions: that of Applied Arts, Business and Health Sciences and that of Technology. In the former, the Department of Applied Arts offers programmes in Art, Early Childhood Education, General Arts and Sciences, Journalism and Mental Retardation Counsellor; the Business Department offers programmes in Business Management, Chef Training, Hotel and Restaurant Management, Secretarial Science, and Technical Administration; the Health Sciences Department offers a programme in Nursing.

In the latter, the division of Technology, the Department of Electrical/Mechanical Technology, offers programmes in Aviation Technology and Pilot Training, Electrical Technician, Electrical Technology, Electronic Technician, Electronic Technology, Machine Shop, Mechanical Drafting Technician, Mechanical Technician, Mechanical Technology, Welding and Fabricating; the Department of Engineering and Apprenticeship offers programmes in Architectural

Drafting Technician, Civic Engineering Technician, Construction Engineering Technician, Heavy Equipment Diesel, and Motive Power Technician; the Science and Resource Engineering Department offers programmes in Forest Technician, Forest Recreation Technology, Fish and Wildlife Technology, Geology Technician, Industrial Chemistry Technician and Medical Laboratory Technology.

As well, there is a retraining department and an extension and community development programme at the college.

In addition to the two campuses in Sault Ste. Marie, Sault College has a campus in Wawa and Elliot Lake.

The community Colleges are geared to the demands of the employment market. Sault College has advisory committees with members from area business, industry and professions to help keep their programmes relevant. The committees assist faculty in keeping programmes up-to-date, translating current market demands and technological advances into curriculum requirements.

Sault College has residences on campus in Sault Ste. Marie which provide accommodation for 150 students. As well, the Department of Student Affairs provides an off-campus housing service.

The college provides a career planning and placement service to aid students in obtaining full-time employment after graduation.

APPENDIX E - CLARKSON SUMMARY

SUMMARY OF FINDINGS AND CONCLUSIONS  
CONTAINED IN THE REPORT TO THE ROYAL COMMISSION  
ALGOMA UNIVERSITY COLLEGE INQUIRY  
JUNE 1976  
BY CLARKSON, GORDON & CO.  
CHARTERED ACCOUNTANTS

I. STUDENT MARKET AND POST-SECONDARY  
EDUCATION IN SAULT STE. MARIE

1. Algoma University College has historically drawn over 95% of its enrolment from Algoma District.
2. High school enrolment projections for Algoma District will begin to decline during the next two to three years.
3. By 1986, Grade 13 enrolment will be 30% less than the 1975 and 1976 expected enrolment levels (19% less for the entire Province).
4. About 22% of those students from Algoma District attending university enrol as freshmen at Algoma University College. Approximately three out of every four undergraduates attend other Ontario universities.
5. Full-time enrolment has declined by one-third in the past five years from 329 in 1971-1972 to 223 in 1975-1976. Of particular concern, the freshman enrolment has declined by one-half over the same period.
6. The numbers of part-time courses taken have declined from a level of 2,074 in 1970-1971 to 1,672 (or 334 FTE's) in 1975-1976. The part-time offerings play a major role in the College's service to the community as well as being a major factor in generating revenues.
7. The addition of both the intersession and summer session has not increased total part-time enrolment, but rather would appear to disperse essentially the same student population.

8. Part-time enrolment appears to follow a cyclical pattern satisfying demands in specific sectors of the population. The demands for part-time university studies in Sault Ste. Marie may not be as strong in the future.
9. The numbers of students (full-time and part-time) expected to attend Algoma University College should remain relatively stable over the next few years. We project that FTE's in 1976-1977 and the following two academic years will be in the area of 500. This compares to 557 FTE's in 1975-1976.
10. Increases in the numbers of arts programs or courses offered would appear to have little effect upon attracting additional students and, thereby, creating additional revenues to match increased costs. Conversely, a limited reduction of arts course offerings would not likely result in a significant decline in enrolment.
11. The mounting of the new Life Sciences Program may have only minimal effects upon increasing student enrolments and, consequently, the implementation of a three year program could prove to be a heavy cost which the college cannot afford.
12. A number of areas of academic demand appear to exist locally that are currently outside of the College's operating mandate as prescribed by Laurentian University and the Ministry of Colleges and Universities.
13. In order that the College can more effectively meet the needs of the local market for university level courses, some relaxation of the existing curricula restrictions should be considered, providing the College can demonstrate that any resultant new course offerings are economically self supporting.
14. While neither Sault College nor Lake Superior State College are direct competitors of Algoma University College, both offer viable alternatives to those students wishing to live at home in Sault Ste. Marie and follow post-secondary educational studies.

15. Algoma University College should take specific steps to promote the benefits of a small university and attract additional students, both from the Sault Ste. Marie region and other parts of Ontario.

## II. ORGANIZATION OF STAFF

1. In our opinion, the administrative function is adequately staffed to meet existing demands. At the same time, this area would not appear to be oversatffed.
2. The B.I.U./faculty ratio is low compared to other Ontario universities. Potential areas for improving the ratio and reducing costs include:
  - elimination of certain low enrolment courses,
  - an increase in the standard faculty workload,
  - elimination of either the summer session or intersession.
3. The library staff level, which compared favourably to that of other small universities in 1974-1975, appears to be slightly low at present. The addition of a second qualified professional librarian is justified although the present financial difficulties dictate against such action at this time.

## III. PLANNING AND BUDGETING PROCEDURES

1. Insufficient emphasis has been placed on the economic criteria associated with the development of academic programs. Financial factors must be more carefully considered when adding future programs or courses.
2. Algoma University College should conduct immediately a thorough study of the demand for the new Life Sciences program before making substantial new commitments.
3. The 1976-1977 Budget has not yet been given final approval and this budget may have to be revised. However, our analysis indicates to us that the preliminary budget represents the facts based on current plans. It shows a planned deficit of \$219,000.

4. Reasonably effective budgeting and cost control procedures are in place and appear to be functioning adequately.

#### IV. SYSTEMS AND PROCEDURES

1. The accounting system is generally adequate to meet the needs of the College. Some minor changes proposed would improve overall efficiency.

#### V. DETAILED COURSE COSTING

1. Applying direct costing techniques, many programs do not have sufficient enrolment to cover out-of-pocket costs. Over the longer term, the potential for substantially reducing projected budget deficits is through a careful rationalization of all courses to be offered in future academic sessions.
2. The elimination of specific courses with a history of low enrolments should be seriously considered.

#### VI. BUILDING FACILITIES AND MAINTENANCE

1. The current site can satisfy the College's space needs, based upon current and projected enrolments and programs.
2. In general, with minor exceptions, the space available in Shingwauk Hall is clean, well maintained, tastefully decorated and suitable to the needs of the College.
3. The space provided in three of the portable buildings (faculty offices, P1/P2/P4/P5) is marginal by today's standards and should be considered as only a temporary solution to the College's space needs.
4. Based on the scheduled hours of use between 9:00 A.M. and 5:00 P.M., the present science laboratory facilities (P3) are underutilized. In view of a \$70,000 request for the expansion of current facilities, we believe that the College should re-examine the option of using existing space or the sharing of facilities with other schools in the area.
5. We believe it might be possible for the College to realize some savings (about \$15,000/year) in the cleaning and

security functions. Further analysis would be needed to define the specific steps to be taken and the exact amounts of savings to be realized.

VII. ANALYSIS OF HISTORICAL AND

PROJECTED FINANCIAL INFORMATION

1. The College currently faces a projected 1976-1977 operating deficit of \$219,000 which exceeds the April 30, 1976 accumulated surplus of \$79,000 by \$140,000.
2. Under the current funding formula, unless the College reduces its operations drastically, it will be faced with continuing operating deficits possibly in excess of \$200,000 annually.
3. Academic expenses as a percentage of total spending appear to be reasonably comparable to other Ontario universities.
4. Library expenses are more than double those at other Ontario universities expressed as a percentage of total expenses. It is reasonable to expect that library costs would be higher because of the size of the College compared to other universities.
5. The College's spending on administration as a percentage of total expenditures is high when compared to all other Ontario universities because of the size of operation of the College does not allow for efficiencies of scale in the administrative area.
6. Spending in non-academic facilities and programs is less than at other Ontario universities.
7. Salaries paid to faculty members appear to be line with averages for the Province of Ontario.
8. Formula and Northern grants to the College for 1976-1977 will amount to \$2,082 per FTE, which is less than the average paid to other Ontario universities. This is because of the differences in programs offered.

#### VIII. AUDIT RELATIONSHIP

1. The College advances, and writes off, approximately \$7,000 each year to the Algoma Conservatory of Music. We understand the Conservatory's records are inadequate and suggest they be brought up to date and audited.
2. We believe the auditors should be asked for a letter annually that describes any deficiencies identified during the audit, comments on accounting or other matters that may have come to their attention, and gives any recommendations.
3. We believe an Audit Committee should be formed by the Board of Directors, which would discuss with the auditors the annual financial statements and any matters the auditors request be brought to the attention of the Board and the Members. The discussion should be prior to the annual meeting of the Association.
4. There should be a letter of engagement, agreed on by the Board and the auditors, setting out the auditors' responsibilities as they mutually understand them.

## APPENDIX F - THE CAMERON REPORT

### THE CAMERON REPORT

I am grateful to Dr. David Cameron, Director, School of Public Administration, Dalhousie University, Halifax, for his kindness in forwarding me a copy of the first draft of his report on post-secondary education in northern Ontario.

The report, entitled "The Northern Dilemma: Public Policy and Post-Secondary Education in Northern Ontario", dated June, 1976, was prepared by Dr. Cameron with Peter J. Kuch for the Ontario Economic Council. Its objective is to consider a proposal for preferential funding being granted post-secondary educational facilities in northern Ontario. The report treats with the special economic problems associated with education in northern Ontario, reviews post-secondary education requirements in the north and considers issues relating to the existing organization and programmes.

The report contains many interesting observations and valuable data. It provides a detailed history of the various institutions in northern Ontario.

Unfortunately, the report was received during the week prior to completion of the second report of the Commission and accordingly, it was not possible for me to review it in detail.

I commend Dr. Cameron's report to the trustees and others associated with Algoma University College for their careful study. I think that the report of the Commission will be found to complement much of the contents of Dr. Cameron's report.

I have made reference, in the chapter of the within report entitled, "The Government: A Responsibility", to one proposal made by Dr. Cameron. In the section entitled, "Government-Institutional Relations", he has recommended a coordinating mechanism for developing relations between universities and C.A.A.T. colleges in Northern Ontario. I have recommended a modified proposal in order to assist in developing relationships between Algoma University College and other institutions.

The central theme of the second report of the Commission appears to reflect precisely Dr. Cameron's thesis that criteria employed in judging universities in Southern Ontario cannot be applied in the north. It is this point which I have been most concerned to make in the within report.

The Cameron report must necessarily be given the most careful consideration by me and my staff in determining the future viability of the college before preparing our final report.

J.W.W.





# **Third Report of The Royal Commission of Inquiry**

**Algoma University College**

---

Commissioner  
John W. Whiteside, QC

June 30, 1977



To Her Honour,  
The Lieutenant Governor of Ontario,

I, the undersigned, John W. Whiteside, a Professor in the Faculty of Law of the University of Windsor, appointed Commissioner by Order-in-Council OC 616/76 pursuant to the provisions of the Public Inquiries Act 1971 and approved by Your Honour on the 10th day of March A.D. 1976, as amended by Order-in-Council OC 1248/76 and approved by Your Honour on the 5th day of May 1976, to inquire into, study and report upon:

- 1) All aspects of the management of Algoma University College bearing upon its effective operation including:
  - a) the relationship between the Board of Governors of Algoma University College and any and all entities, organizations or elements thereof,
  - b) the relationship between the Board of Governors of Algoma University College and the Board of Directors of Algoma College Association,
  - c) the affiliation between and other arrangements existing between Algoma University College and Laurentian University,
  - d) the means employed in the incorporation of the aforesaid College and Association and the adequacy and propriety thereof.

- 2) To make recommendations regarding any actions or alterations which may be deemed appropriate for the implementation of any recommendations arising from (1):

Beg to Submit to Your Honour

The Following Report

*Mr. White*

Commissioner

Windsor, Ontario

3 June, 1977

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## I. INTRODUCTION TO THE THIRD REPORT

Public hearings were held in Sault Ste. Marie in the months of May and June, 1976. They were held to permit inquiry into the matters referred to in the terms of reference set forth in Order-in-Council OC 616/76 as amended by Order-in-Council OC 1248/76. A preliminary report dated June 30, 1976 was submitted at the conclusion of these hearings.

The report recommended a period of trusteeship for the administration of the College in order to establish stable conditions.

After due deliberation, the Board of Directors of Algoma College Association adopted this proposal. They made an application to Your Honour, the Lieutenant Governor, for Supplementary Letters Patent to permit major changes to be made in the organizational structure of the Association and Algoma University College.

The Supplementary Letters Patent were issued under the hand and seal of Sidney B. Handleman, Minister of Consumer and Commercial Relations, on the 24th day of August 1976. They provided for the following:

- a) that the Board of Directors of the corporation shall be known as the Board of Trustees;
- b) that the number of directors (trustees) be reduced from fifteen to five, one of whom shall be the chairman, and that a majority of the directors (trustees) constitutes a quorum for the transaction of business;

- c) that in the event of an equality of votes at any meeting of the Board of Trustees, the chairman of the Board of Trustees shall cast a deciding ballot;
- d) that a condition of membership in the corporation be that each person is approved in writing by the Minister of Colleges and Universities prior to becoming a member; and
- e) that upon the dissolution of the corporation and after payment of all debts and liabilities, its remaining property shall be distributed or disposed of to educational organizations which carry on their activities solely in Sault Ste. Marie, Ontario.

The issue of the Supplementary Letters Patent permitted a reorganization of the academic, administrative, and financial affairs of the College to respond to the urgent and critical problems which were identified in the course of the public hearings. The reorganization resulted in the dissolution of the Board of Directors of the Association and the Academic Council of the College. The members of these bodies are to be commended for their response to the recommendations contained in the preliminary report. Their action advanced significantly the interests of the College.

## II. ESTABLISHMENT OF THE BOARD OF TRUSTEES

Steps were taken to constitute the Board of Trustees immediately following issue of the Supplementary Letters Patent. The Minister of Colleges and Universities approved the following persons as members of Algoma College Association and they were subsequently elected members of the Board of Trustees:

Dr. Dennis G. Howell (Chairman)  
Dean, Ontario Veterinary College  
University of Guelph,

Dr. Ian W. Brown of the Department of History  
Algoma University College,

Dr. Robert G. Ewing of the Department of Geography  
Algoma University College,

Mr. Frederick H. Griffith  
Executive Director  
Group Health Centre  
Sault Ste. Marie, Ontario,

Mr. Arthur A. Wishart, Q.C.  
Barrister and Solicitor  
Sault Ste. Marie, Ontario.

Control of the academic, administrative, and financial affairs of the College was vested in the Board of Trustees. Under the wise and balanced chairmanship of Dr. Howell, the Trustees have provided sound administration for the College. Each member has made a major contribution.

### III. THE WORK OF THE BOARD OF TRUSTEES

Following their appointment, the Board of Trustees began their work with vigor and enthusiasm. They immediately addressed themselves to the more urgent problems facing the College. Their primary objectives were defined as follows:

- a) effecting such economies as could properly be made without seriously affecting the academic programs of the College;  
and
- b) promoting a more favourable image within the community as a basis for increased development.

Appointment of Standing Committees In order to assure continuity of the academic and financial administration of the College, the Trustees established a series of committees. These included the Academic Advisory Committee, the Faculty Policies Committee, the Teaching and Learning Committee and the Recruitment Task Force.

Particular emphasis was given to the work of the last mentioned body. Dr. Howell, himself, assumed its chairmanship. This emphasis correctly reflected the concern of the College authorities for increasing its student enrollment. In their submission to the Ontario Council on University Affairs, dated April 26, 1977, the Board of Trustees stated that if enrollment falls significantly short of expectations, serious consideration must be given to the continuation of the College in its present form.

### Establishment of the Advisory Council

The Trustees also adopted a proposal, made in the preliminary report of the Commission, for the establishment of an Advisory Council having special responsibilities in the areas of development, fund raising, alumni affairs, recruiting and outreach into the community. Mr. F. H. Griffith, of the Board of Trustees, was appointed Chairman of the Council. Its members include the following persons:

Mr. John R. Cameletti  
Sault Ste. Marie, Ontario,

Mr. Ronald E. Moreau  
Sault Ste. Marie, Ontario,

Mr. Ronald W. Morphet  
Sault Ste. Marie, Ontario,

Mrs. Frances Paskins  
Sault Ste. Marie, Ontario,

Mr. William M. Hogg  
Sault Ste. Marie, Ontario,

Mr. C. Bruce Noble, Q.C.  
Sault Ste. Marie, Ontario,

Mr. Michael T. Jennings  
Wawa, Ontario,

Mr. Arthur Henderson  
Bruce Mines, Ontario,

Mr. Keith Currie  
Thessalon, Ontario,

Mrs. Marcia Munro (Secretary  
Co-ordinator  
Advisory Council/Alumni Affairs  
Algoma University College.

Budget Review Procedures

The Board of Trustees responded, throughout the past academic year, to the Commission's recommendations for budget review procedures. The Trustees were provided with cash flow statements and revised financial forecasts. Stringent economies were practised consistent with the academic needs of the College. Recognition of the financial implications of proposed academic programs has governed decisions in this area.

Finances

In August, 1976, a loss on operations in the 1976-77 budget year of \$281,186. was forecast. Economies were achieved during the fiscal period and the loss on operations for the year ended April 30, 1977 is now estimated to be approximately \$187,000. Recent information indicates that there may be a further improvement with the final result being approximately \$170,000.

The Trustees hope to achieve a balanced budget in 1978-79. This is predicated upon a student enrollment of 600 fulltime equivalent in 1977-78, including intersession and summer session. The Trustees believe this to be an attainable goal.

Academic Administration

The former principal of the College, Dr. Donald Watkins, resigned from the College during the 1976-77 academic year. His duties were assumed by Dr. Howell.

To facilitate academic administration, the academic units of the College were grouped into three administrative divisions, these being:

- a) Arts and Humanities,
- b) Social Sciences,
- c) Physical and Biological Sciences.

Dr. Howell must return to resume fulltime, his duties as Dean of the Ontario Veterinary College at the University of Guelph on June 30, 1977. Accordingly, a person must be appointed to assume responsibility for the day to day operations of the College.

Academic Policies and Planning The Trustees have elected, during the transitional period, to maximize student enrollment rather than undertake a sweeping reduction of academic programs which might cause irreparable damage to the academic integrity of the College. The academic program has been kept constantly under close review and appropriate restraints imposed upon the proliferation of courses. Intersession and summer session, of great value to the community, continue to be offered because of substantial cost savings resulting from the voluntary increase in workload by Faculty.

A number of academic policies have been prepared by the Faculty Policies Committee. The policies relate to travel, promotion, dismissal for cause, rights and responsibilities, terms and conditions of employment and leaves, and release of faculty due to financial exigency. These have been adopted by the Board of Trustees. Additional policies on salaries and disciplinary actions are being prepared.

The Support Staff Informal recognition has been granted by the Trustees to the Algoma University College Support Staff Association.

The Board of Trustees have undertaken to prepare a comprehensive set of support staff policies.

Relationship of the Board of Trustees to Faculty, Administration and Student Body

The Trustees clearly enjoy the confidence of the faculty, administrative staff and students of the College. The atmosphere within the institution has greatly improved and a spirit of cooperation now pervades its undertakings.

#### IV. FURTHER PUBLIC HEARINGS

By means of frequent discussions with Dr. Howell, periodic visits to Sault Ste. Marie and the receipt of minutes of meetings of the Board of Trustees and other materials, I have been kept closely informed of the work of the Trustees.

It became apparent to me in January last, that the magnitude of the Trustees' work was such that they might require additional time before transferring their responsibilities to a permanent governing body.

However, in my preliminary report, I indicated that the term of office of the Trustees should end on or before June 30, 1977. I considered that if I were to recommend an extension of the Trustees' term of office, I should do so only after I had provided interested persons with an opportunity to comment upon the proposal.

Further, if the Trustees' term of office were extended, I considered it desirable that they be afforded an opportunity to report, in public, upon their work during the academic year, 1976-77.

Also, I had indicated in the second report of the Commission dated July 30, 1976, that any recommendations I made with reference to the structure of the College were dependent upon the role to be adopted by it and its relationship with other institutions. The report cited

a series of options. These included the closing of the institution; its continued affiliation to Laurentian University; its conversion to a satellite campus of Laurentian University or another university in the Ontario system; its affiliation to Lake Superior State College in Sault Ste. Marie, Michigan or the establishment of an international university in cooperation with that college; its affiliation to an Ontario university other than Laurentian; or its establishment as a free standing institution. Other options, including the reduction of academic programs offered by the College, were also mentioned.

I believed I was under an obligation to permit the public to comment on these options before making my final report.

All of these considerations persuaded me that further public hearings should be held.

Notice of the public hearings was published and interested persons were invited to make submissions directed to the following matters:

- a) the continuation in office of the Board of Trustees to June 30, 1978;
- b) the option or options best suited to serve the needs of the Algoma District and Northern Ontario;
- c) the internal structure of the College most appropriate for the governance of its affairs under the selected option.

The hearings were conducted in Sault Ste. Marie on May 2, 3, 4, 5 and 6. A number of submissions were made and exhibits filed. A list of the exhibits introduced at the hearing is appended as a schedule to this report.

## V. FINDINGS

The recent hearings were conducted in an atmosphere of good will and cooperation. It was apparent to me that the Trustees enjoy the confidence not only of the faculty, administrative staff and students of the College but also the Sault Ste. Marie and Algoma district. The voluntary contribution made by faculty members, the grants made by and through the Alumni Association and the teachers of Sault Ste. Marie attest to this fact.

Most noteworthy is the unconditional grant of \$40,000 made by the Corporation of the City of Sault Ste. Marie. This grant was made by the City Council to indicate its strong support for the continued operation of Algoma University College in the community.

The proposal for extension of the Trustees term of office was enthusiastically endorsed. All persons appearing before the Commission were in favour of it.

A number of interesting submissions were made and several witnesses testified as to alternative associations and affiliations for the College to serve best the needs of the community. These must be studied with great care before a final report on structure is made.

Several proposals were made concerning the internal structure of the College most appropriate for the governance of its affairs. These

were made with the object of assuring efficient, effective and economic operations and sound academic administration. These will also be carefully considered.

I have determined from the hearings and my earlier inquiries, that the administration of the College has greatly improved. I would be less than candid, however, if I did not acknowledge that its future remains very uncertain without an assurance of a continuing student enrollment of sufficient size to permit academic and financial integrity.

## VI RECOMMENDATIONS

I recommend the following, based upon the result of my investigations and the findings of the public hearings:

- a) that the term of the Board of Trustees be extended beyond June 30, 1977;
- b) that Dr. Dennis G. Howell be continued beyond June 30, 1977 as Chairman of the Board of Trustees, President of Algoma College Association and Chief Executive Officer of Algoma University College;
- c) that the office of Dean of Algoma University College be established and that an appointment be made to such office as soon as may be practicable in order that the incumbent may assume the duties ordinarily assigned a Dean of Faculty with respect to the academic and administrative affairs of Algoma University College;
- d) that no change be made in the number of the Board of Trustees pending delivery of the report of the Commission on the internal structure of the College; provided that the Board of Trustees invite the Dean of Algoma University College, following his appointment, to all meetings of the Board, and that the Dean be, ex officio, a member of all standing committees of the Board;

- e) that the office of Director of Development and External Affairs be established and that an appointment be made to such office as soon as may be practicable;
- f) that the duties of the Director of Development and External Affairs include his assuming charge of an Office of Development as contemplated in the second report of the Commission, and in particular, that he serve as a resource person to the whole community to assure that the social, cultural and economic benefits of education at all levels and in all of its aspects are made known and that appropriate assistance is rendered to permit realization of each person's full potential;
- g) that the Board of Trustees continue to give their earnest consideration to the advisability of holding their meetings in public subject to appropriate restrictions being imposed when sensitive issues, including personnel, property and legal affairs, are under consideration.

## VII. CONCLUSION

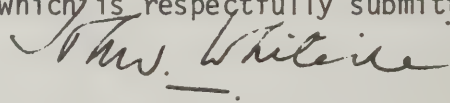
This report has again been hastily drafted and submitted in order to remove uncertainty concerning the status of the Board of Trustees and to permit them to continue their work.

During the summer months I propose, with members of the Commission staff, to review the evidence and exhibits introduced during the public hearings. This will require a thorough and careful study. A report will be submitted in October, next, dealing with all aspects of my terms of reference.

I conclude by expressing my thanks to the members of the Commission staff: Mr. Rodney Hull, Q.C., Counsel, Mr. Anthony T. Keller, LL.B., Registrar, Ms. Catherine A. Meanwell, LL.B., Assistant Registrar, and Dr. James Hartman, Consultant, whose efforts made possible the holding of the hearings at a time which was awkward and inconvenient. I also wish to express my thanks to Dr. Howell for his many courtesies extended to me during the past year, to the members of the Board of Trustees and all of those persons who made submissions and contributed to the public hearings.

Dated at Windsor, Ontario, this 3rd day of June 1977.

All of which is respectfully submitted,

A handwritten signature in dark ink, appearing to read "John White". The signature is written in a cursive style with a horizontal line underneath the name.

Commissioner

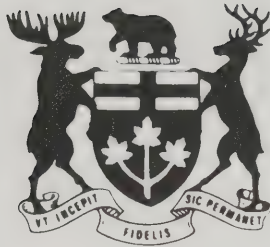
## APPENDIX A

LIST OF EXHIBITSExhibit Number

- |     |   |
|-----|---|
| 500 | Advertisement of Public Hearings  |
| 501 | Supplementary Letters Patent dated the 24th day of August 1976  |
| 502 | Submission of the Board of Trustees dated April 15, 1977  |
| 503 | Copy of letter dated April 27, 1977 from D. R. Evans, City Administrator, the Corporation of the City of Sault Ste. Marie to Dr. Dennis G. Howell |
| 504 | Extract from appraiser's report on Fourth Line Property dated December 20, 1976   |
| 505 | Copy of the appraisal of Shingwauk Hall by Cooper Appraisals Limited dated March 20, 1977   |
| 506 | Report on the Pension Plan by T. G. Holmes, Business Manager, dated April 29, 1977  |
| 507 | Comparison of projected operating expenditures to budget 1976/77 prepared by T. G. Holmes, Business Manager, dated April 29, 1977                 |
| 508 | Copy of memorandum prepared by Dr. James B. Hartman for the staff of the Commission dated April 27, 1977 relative to options for the future       |
| 509 | Copy of a memorandum made by Dr. James B. Hartman for the staff of the Commission dated April 26, 1977 relative to student recruitment            |
| 510 | Submission of the Committee of Concerned Citizens for Algoma University College dated April 18, 1977  |
| 511 | Submission of Sister C. Paul, C.S.J. dated April 18, 1977   |
| 512 | Submission of Professor Francis R. Guth and Mr. T. Holmes   |
| 513 | Supplement to the submission of the Concerned Citizens for Algoma University College  |
| 514 | Submission of Mrs. Frances G. Paskins, Member, Citizens Advisory Committee  |

Exhibit Number

- 515            Supplementary submission by the Ontario Confederation of University Faculty Associations
- 516            Organizational charts of Nipissing College and Canadore College and miscellaneous documents relating to Nipissing College
- 517            Copy of draft proposed amendment to affiliation agreement between Laurentian University of Sudbury and Nipissing University College with introductory notes attached thereto
- 518            Report of the Commission on university programs in non-metropolitan areas submitted to the Minister of Education of the Province of British Columbia by Dr. W. C. Winegard dated September 2nd, 1976
- 519            Submission of Mr. John T. Stubbs dated April 18, 1977
- 520            Submission of interested faculty of Algoma University College
- 521            Letter addressed to the Commission dated May 3, 1977 by Dr. Kenneth J. Shouldice, President, Lake Superior State College
- 522            Submission of the Algoma University College Support Staff Association dated April 18, 1977
- 523            Submission of the Alumni Association of Algoma University College dated April 1977
- 524            Submission of the Teachers' Action Committee of Sault Ste. Marie dated April 13, 1977
- 525            Report of Dr. David M. Cameron prepared for the Ontario Economic Council dated February 1977 entitled The Northern Dilemma: Public Policy and Post-Secondary Education in Northern Ontario
- 526            Miscellaneous recruitment documents published by Algoma University College



# **Final Report of The Royal Commission of Inquiry**

**Algoma University College**

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Commissioner  
John W. Whiteside, QC

15 November, 1977

Seal

Copy of an Order-in-Council approved by Her Honour the Lieutenant Governor, dated the 10th day of March, A.D. 1976.

Upon the recommendation of the Honourable the Attorney General, the Committee of Council advised that pursuant to the provisions of the Public Inquiries Act, S.O. 1971, Chapter 49, a Commission be issued appointing

John W. Whiteside, Q.C.

a Commissioner to inquire into, study and report upon:

- (1) all structural and procedural aspects of the management of Algoma University College bearing upon its effective operation including:
  - (a) the relationship between the Board of Governors of Algoma University College and any and all entities, organizations or elements thereof,
  - (b) the relationship between the Board of Governors of Algoma University College and the Board of Directors of Algoma College Association,
  - (c) the affiliation between and other arrangements existing between Algoma University College and Laurentian University,

- (d) the means employed in the incorporation of the aforesaid College and Association and the adequacy and propriety thereof.
2. To make recommendations regarding any actions or alterations which may be deemed appropriate for the implementation of any recommendations arising from (1).

The Committee further advise that the said Commissioner shall have the power pursuant to the provisions of the Public Inquiries Act to summon any person and require any such person to give evidence on oath and produce such documents and things as are deemed requisite for the full investigation of the matters to be examined.

And the Committee further advise that all Government ministries, boards, agencies and committees shall assist, to the fullest extent, the said Commissioner who, in order to carry out his duties and functions, shall have the power and authority to engage such staff, secretarial and otherwise, and technical advisers as he deems proper, at rates of remuneration and reimbursement to be approved by the Management Board of Cabinet.

Certified,

"J. J. Young"  
Clerk, Executive Council

O.C. 1248/76

Seal

Copy of an Order-in-Council approved by Her Honour the Lieutenant Governor, dated the 5th day of May, A.D. 1976.

Upon the recommendation of the Honourable the Attorney General, the Committee advise that the Order-in-Council numbered O.C. 616/76, dated the 10th day of March, 1976, be amended by deleting the words:

- (1) All structural and procedural aspects of the management of Algoma University College bearing upon its effective operation including:

and substituting therefor the following:

- (1) All aspects of the management of Algoma University College bearing upon its effective operation including:

Certified,

"J. J. Young"  
Clerk, Executive Council

/mg

To Her Honour,

The Lieutenant Governor of Ontario

May it Please Your Honour,

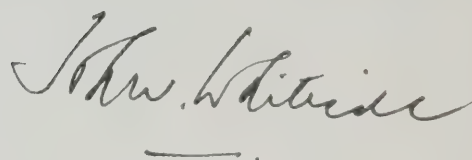
I, the undersigned, John W. Whiteside, a Professor in the Faculty of Law of the University of Windsor, appointed Commissioner by Order-in-Council O.C. 616/76 pursuant to the provisions of the Public Inquiries Act, 1971, and approved by Your Honour on the 10th day of March, A.D. 1976, as amended by Order-in-Council O.C. 1248/76 and approved by Your Honour on the 5th day of May, 1976, to inquire into, study and report upon:

- (1) All aspects of the management of Algoma University College bearing upon its effective operation including:
  - (a) the relationship between the Board of Governors of Algoma University College and any and all entities, organizations or elements thereof,
  - (b) the relationship between the Board of Governors of Algoma University College and the Board of Directors of Algoma College Association,
  - (c) the affiliation between and other arrangements existing between Algoma University College and Laurentian University,
  - (d) the means employed in the incorporation of the aforesaid College and Association and the adequacy and propriety thereof.

- (2) To make recommendations regarding any actions or alterations which may be deemed appropriate for the implementation of any recommendations arising from (1):

Beg to Submit to Your Honour

The Following Report

A handwritten signature in cursive script, appearing to read "John Whitehead". The signature is written in dark ink and is positioned above a short horizontal line.

Commissioner

Windsor, Ontario

15 November, 1977

/mg

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STAFF OF THE COMMISSION

ACKNOWLEDGEMENT

## CHAPTER I - INTRODUCTION TO THE FINAL REPORT

### A. Background

The Commission of Inquiry on Algoma University College was appointed by Order-in-Council dated March 10, 1976. It was directed to inquire into, study and report upon all structural and procedural aspects of the management of the College. These included matters relating to the role of the governing bodies of the College and their relationship to other elements of the institution. The Commission was also directed to inquire into the affiliation between the College and Laurentian University.

The staff of the Commission immediately began investigations preliminary to the holding of public hearings. These revealed that the academic, administrative and financial affairs of the College were in a state of extreme disarray. Further, they revealed personal conflicts and tensions of an extreme nature. These arose out of the conditions which then existed.

It was apparent that if the Commission were to perform a useful service, its terms of reference had to be enlarged. A recommendation to this effect was made to the Honourable The Attorney General by a letter dated the 22nd day of April 1976. As a consequence, the terms of reference were amended by Order-in-Council dated May 5, 1976, whereby the Commission was directed to inquire into, study and report upon all aspects of the management of Algoma University College bearing upon its effective operation.

Public hearings were held during the months of May and June, 1976, in Sault Ste. Marie. Prior to and during the hearings, a number of acts

of misfeasance and non-feasance were alleged. The hearings revealed a troubled and demoralized faculty, a loss of confidence in the administration of the College on the part of the public, and the existence of academic programmes which were neither justified by student demand nor viable in financial terms.

Investigation also revealed structural and organic problems of a legal nature within the sponsoring corporation, Algoma College Association, which demanded immediate correction.

During the public hearings, informal steps were taken by the staff of the Commission to correct certain of these conditions and appropriate adjustments were made by officials of the corporation and the College on a voluntary basis.

A preliminary report of the Commission was issued on June 30, 1976. It recommended the establishment of a trusteeship to serve as a transitional administration to govern the College and to canvass possible methods of making it academically and economically viable. This recommendation was necessary since otherwise the destructive conflicts and tensions within and outside the institution would have continued unchecked.

Further recommendations called for the disbanding of the Board of Governors and Academic Council of the College, the vacating of the Principal's office, and the appointment of a person who had achieved distinction as an academic administrator within the Ontario university system as Chairman of the Board of Trustees.

These recommendations were adopted, and in August, 1976, a Board of Trustees was appointed to supervise the affairs of the College. Dr. Dennis G. Howell, Dean of the Ontario Veterinary College, University of Guelph, was appointed President and Chairman of the Board of Trustees

and assumed the duties of Principal.

A second report was issued by the Commission on July 30, 1976, which identified a series of tasks to be undertaken by the Trustees and made proposals for the reorganization of the College. It also recommended consideration of a number of options to be adopted by the College for improvement of its financial and academic affairs.

The report further proposed that the term of office of the Trustees should end on or before June 30, 1977.

## B. Transitional Period

From the outset, it was clear that the Commission could not discharge its mandate within a short space of time. The extremely serious conditions which existed within the College required a "cooling-off" period, during which the transitional administration would have an opportunity to assess the role and future of the institution.

The Trustees continued in office throughout the academic year 1976-77. During this period, adjustments were made to the academic programmes of the institution and some financial savings were effected. The Trustees identified the rapid decline of enrolment as being the major source of difficulty and introduced a vigorous campaign for the recruitment of students.

As the transitional period unfolded, it became apparent that no final decision could be rendered by the Commission until after commencement of the 1977-78 academic year, at which time an assessment might be made of the effect of the Trustees' work in recruiting, and further financial projections might be made based upon such results.

Since an extension of the Trustees' term of office was indicated, further public hearings were held in May, 1977, at Sault Ste. Marie for the purpose of determining whether interested persons would find such an extension to be acceptable. The hearings also considered the several options open to the College to serve the needs of the Algoma district.

At the conclusion of these hearings, a third report of the Commission was issued on June 3, 1977. It recommended that the Trustees' term of office be extended, that Dr. Howell continue in the office of Chairman of the Board of Trustees and Chief Executive Officer of the College, and that the office of Dean of Algoma University College be established.

The Commission then awaited the results of the recruiting campaign instituted by the Board of Trustees and the production of additional financial analyses and reports.

### C. The Approach of the Commission

It is acknowledged that in the light of the concern of the Algoma community to enjoy the benefits accruing from the presence of a liberal arts college, the Commission undertook its work with an earnest desire to find a means of continuing the institution's existence.

The Commission was concerned to assure, as best it could by its findings and recommendations, that no avoidable damage be done to the institution by reason of its investigations, and that the reputations and well-being of the persons involved remain unharmed despite the atmosphere of extreme tension and distrust existing at the time of its appointment.

It proceeded in the hope that it might avoid a polarization of positions and on this basis rejected proposals originally made for the College which would have forced an untimely decision. It elected to adopt a "wait and see" attitude to permit a fair opportunity for the College community, its Trustees, faculty and administrators, to identify an appropriate and viable role for the institution.

The Commission was also concerned to provide all elements of the College and outside community an opportunity to give advice and make suggestions concerning the future of the institution.

The hearings were widely advertised and all persons wishing to make submissions were heard and permitted to question witnesses either directly or through the Commission's counsel.

All proposals have been considered carefully and sympathetically.

#### D. A Time for Decision

On November 1, 1977, the Financial Exigency Committee of the Board of Trustees, established under the terms of "The Policy on Release of Faculty due to Financial Exigency or Changes in Academic Programming", reported to the Board of Trustees.

The Committee declared that a bona fide state of financial exigency existed within the College.

Prior to making its finding, the Committee reviewed all sources of income, all assets and liabilities and all aspects of the budget of the College. It made a series of recommendations for improvement of the financial position of the institution. In so doing, it commented upon the Carl J. Sanders Fund, to which reference is made later in this report, indicating that it provided the College with a "temporary breathing space" during which the College could address itself to the key question of increasing its enrolment.

Though the Committee is to be commended for its work, a review of the recommendations indicates that they are short-term in nature. Many could not be continued over the long term. Indeed, the report of the Committee implies this expectation.

The Committee produced tables indicating that with a constant enrolment, a 5 per cent increase in basic income unit (B.I.U.) values and just less than a 5 per cent increase in expenditures, the accumulated deficit would rise to a total of \$707,750. by April 30, 1980. The Committee concluded that such a level was clearly insupportable.

The Board of Trustees considered the report of the Committee and decided against the identification of redundant faculty.

It has been acknowledged at every hand that increased enrolment is the key to the future of the College. The report of the Financial Exigency Committee, and the subsequent decision of the Board of Trustees, imply a desire that the College continue its present operations for a further year, at the least, in the hopes that there will be an upturn in enrolment.

The Commission postponed delivery of its final report until after enrolment statistics for the academic year 1977-78 were complete.

These statistics are now at hand, and it is appropriate that the Commission's report now be submitted. Further delay would continue the present state of uncertainty and prejudice the interests of persons affected.

These persons must know the future of the College with certainty at the earliest possible time in order that they may make personal adjustments and decisions.

For these reasons, the Committee has accelerated its work in order to complete the final report. It bears the earmarks of haste. It is believed, however, that it contains a fair and realistic assessment of the conditions surveyed.

At the conclusion of the third report dated June 3, 1977, the following was said:

" I would be less than candid, however, if I did not acknowledge that the future of the College remains very uncertain without an assurance of continuing student enrolment of sufficient size to permit academic and financial integrity."

The Commission believes that there are now conclusive findings that adequate continuing student enrolment is not and will not be forthcoming.

## CHAPTER II - THE SPECTRE OF THE EIGHTIES

By 1980, a radical change will have occurred in the environment within which post-secondary educational institutions operate. This will result from reduced enrolment and severely curtailed financing.

Indeed, these conditions already appear to exist, as evidenced by the dramatic shortfall in enrolment expectations in the Ontario university system for the academic year 1977-78, the substantial reduction in the quantum of Government financing and the reduced number of pupils in the primary and secondary school systems. These conditions have forced many school boards to consider the closing of primary and secondary schools.

The Ontario university community, and Algoma University College, have been aware of these prospects for some time. The realization of the impending financial crisis formed the background of the deliberations of the Commission. Reference was made, at the commencement of the hearings in May, 1976, to the following statement contained in the Ontario Council on University Affairs Advisory Memorandum 75-VII, and entitled "The Allocation of the Government's Operating Support for the University System in 1976/77":

"The current economic climate indicates that it is the better part of prudence for all concerned, and particularly institutions with special funding claims based on elusive grounds, to anticipate in their internal planning and decision-making a level and distribution of public resources that reflects increasing stringency."

The government and the Ontario university community are forced, by reason of adverse economic conditions, to enter upon a period of retrenchment. The

allocation of scarce resources has become one of the prime concerns of the government. It demands consolidation, rationalization, the rigorous application of cost-benefit analyses, and insistence upon efficient and economic operations.

The maximum utilization of public resources demands that these steps be taken. To disregard these conditions, or to claim special funding for operations which are uneconomic, would be irresponsible.

Recent statements by officials of the government of Ontario indicate clearly that in order to meet the severe economic conditions of the eighties, the level of government support for colleges and universities will be substantially below the anticipated rate of inflation. This policy will require severe measures to be taken.

The report of the Commission must be read and understood in this light.

Basic, organic changes must be made by many institutions to face the economic and resource realities of the eighties. Amalgamations and the sharing of resources by long-established universities will, it is suggested, not be exceptional. Undoubtedly many programmes will be terminated and facilities closed down in a process of rationalization in order to avoid wasteful duplication. Some services may be centralized. This forced rationalization of educational facilities has already begun in the United States.

All educational institutions in Ontario are presently ordering their affairs to meet the predicted declining enrolments of the eighties which has already begun.

The prospects for Algoma University College are clear. High school enrolment projections in the Algoma district will begin to decline in the very near future. By 1986, there will be 30 per cent fewer Grade 13 graduates than there were in 1976. There is a 19 per cent decrease in enrolments projected system-wide throughout Ontario. Thus, excess capacity will exist in most universities of the province.

In fact, excess capacity is already built into the established universities of the province. This is uneconomic, inefficient and wasteful of the resources of the province. Accordingly, every institution must be viewed as a part of the provincial complex, and the usefulness of the institution must be considered in terms of its contribution to the whole.

### CHAPTER III - THE ALGOMA TRILEMMA

Algoma University College is presently faced with a complex of severe difficulties. These will be compounded in the future as the downward enrolment trend continues. The College is faced with an array of circumstances which militate against its continuing to play the traditional role of a liberal arts college within the Ontario university system.

The Commission, employing some literary licence, characterizes these circumstances as a "Trilemma".

#### A. The First Element of the Algoma Trilemma: Low Enrolment

The Board of Trustees instituted a major recruiting campaign in the spring of 1977. Their target was 300 full-time students. This was the number they considered necessary to sustain the College as a liberal arts institution.

In fact, the number of full-time registrations for 1977-78 was 200. This figure was 7.5 per cent below 1976-77, when 213 students were registered. It was a bitter disappointment to the officials of the College, who had worked hard to reverse the trend which had continued over a period of years. In 1971-72, full-time enrolment was 329. Between 1971 and 1977, full-time enrolment had been reduced by 39 per cent.

During the period 1971 to 1975, part-time enrolment had declined from 2,074 to 1,972. In 1976-77 it was 1,132. Between 1971 and 1977 the decline in part-time enrolment was 45 per cent.

A slight increase was experienced in 1977, when part-time enrolment rose to 1,193. This increase was largely the result of a course in "Sex and Family Life" during the summer session. The course was undertaken jointly with the University of Waterloo.

One explanation for the drop in part-time students illustrates a compounded enrolment problem for Algoma University College. Many of the part-time students were teachers seeking to upgrade their qualifications. When they had obtained the Bachelor of Arts degree, they found that the College offered no further educational opportunities.

It is estimated that there will be no more than 450 students in the entire Algoma district who enter university in 1980. Only 20 per cent of these students will enter general Bachelor of Arts programmes. Even if all such students elected to attend Algoma, they would be grossly insufficient to maintain an economic operation.

## B. The Second Element of the Trilemma: Competition

The College has little capability, in the present circumstances for attracting students from outside the Algoma district.

Thus, low enrolment has been correctly diagnosed as the major problem facing the College.

Other Ontario universities are better able to compete for students than Algoma. They have greater and more attractive resources and wider programmes. Further, Algoma district students are attracted to universities in southern Ontario.

No realistic assessment can be made of the competitive position of the College without an appreciation of the position of Lake Superior State College in Sault Ste. Marie, Michigan. It is a direct competitive threat to Algoma because of an agreement whereby the graduates of Sault College of Applied Arts and Technology can enroll in the final year of certain degree programmes at Lake Superior.

Lake Superior is a growing university offering degrees in a wide range of disciplines. It is organized into two faculties: Science and Technology and Arts and Social Science. It has an imposing physical plant which features a physical education and recreation complex constructed at a cost in excess of \$10,500,000. A detailed summary of Lake Superior State College was contained in an Appendix to the Second Report.

Sault College is a direct competitive threat to Algoma, attracting as it does large numbers of students who have chosen to enter the technological stream.

Further, there has been much overlap in programmes between Algoma University College and Sault College, with relatively little cooperation between the institutions. This has resulted in great difficulty for

Algoma in establishing its own identity. The competition has been damaging to Algoma since Sault College has been more responsive to the needs of the community and has enjoyed wider student support.

The parent institution of the College, Laurentian University, also attracts students from the Algoma district.

Despite certain attractive qualities, Algoma University College is seen to be in a highly disadvantageous competitive position, with no prospects for improvement.

### C. The Third Element of the Algoma Trilemma: Scarce Resources

As has been said, the scarcity of resources is probably the most critical problem facing the provincial government today. The appropriation and allocation of such scarce resources demands realistic assessments and clear-headed decisions.

Algoma University College has a dire scarcity of physical resources. With the exception of its library, its main building, Shingwauk Hall and other facilities are, according to the College authorities themselves, grossly inadequate. Its opportunities for research are minimal. Its remoteness from centres of learning and lack of opportunities for outside consulting inhibit recruitment. Its library holdings are insufficient to permit the undertaking of serious research in the traditional sense. Although this is not normally the pursuit of undergraduates, it is a real concern of the faculty.

All of these deficiencies can be made up only with the infusion of large amounts of capital. Such infusion cannot be justified upon any realistic assessment of payback probabilities or upon student demand.

Scarcity of resources is a major contributing factor to the other elements of the Algoma Trilemma: namely, low enrolment and competition.

CHAPTER IV - PROPOSALS MADE TO THE COMMISSION TO COPE WITH THE TRILEMMA

A number of proposals have been put forward to the Commission for dealing with the problems of low enrolment, competition and scarce resources. These include the following:

- a) innovative programmes;
- b) intensive recruiting;
- c) new affiliations and relationships;
- d) a different level of funding;
- e) importation of programmes from other universities;
- f) Algoma University College/Sault College of Applied Arts & Technology joint programming;
- g) increased capital expenditures to improve the competitive position of the College.

These must be briefly considered.

### A. Innovative Programmes

Much emphasis has been placed by supporters of the College on the need for innovative programmes to attract students. Several proposals have been made, these including the introduction of courses in business, commerce and science in order to enlarge the market opportunities of the College.

Because of the combination of low enrolment, competition and scarce resources, the Commission considers that none of the proposals is realistic for the reason that no element of the Trilemma can be resolved by them.

A clear demonstration of this lies in the aborted Interdisciplinary Science (INSC) programme which was instituted by the College in the academic year 1975-76.

Without passing judgment on the academic content of the programme, Clarkson, Gordon and Company, in their report to the Commission dated June, 1976, referred to the life sciences and environmental studies programme (INSC) as an example of inadequate planning. The programme would have required, initially, approximately \$70,000 of capital expenditures and a far greater amount at a later date. The sum of \$25,000 was required for initial library support, the hiring of a new programme coordinator and various field operating expenses.

The cost of the INSC programme was greater than general arts. The College authorities, to support such additional cost, urged that it be funded by the government as a science programme so as to make it financially viable. This was contrary to an earlier undertaking given by the College that it would never seek financing in excess of that provided for general arts.

Further, it was the considered view of many knowledgeable persons that it was not a so-called "hard" science programme: that is, it was not a substitute for science programmes offered by other institutions. Thus, even if it did attract a certain number of students from the available market, such students would not be drawn from amongst those electing to enter science courses at southern Ontario universities but rather those seeking a variant of the general arts programme.

The College was therefore caught again in its Trilemma. As a device for increasing Algoma's market penetration, the programme could not be successful. At the same time the programme substantially increased the costs of the College.

In presenting their report, Clarkson, Gordon and Company urged that the College immediately conduct a thorough research of the economic criteria of the programme before any more funds were committed to its further development. They considered that in the short term, with slip-year financing and the lack of assured adequate enrolment, the programme presented a heavy financial risk. Following receipt of the report, the Commission consulted with the Board of Governors, the principal and the faculty, and reviewed the adverse effect of the programme upon the finances of the College. As a consequence, the Board, in the course of the hearings in June, 1976, withdrew financial support for the programme. The faculty reluctantly accepted the decision a short time later.

The Commission has concluded, from the experience of the INSC programme and its other research, that the Algoma Trilemma prevents any such innovative programmes from being instituted. None can markedly increase Algoma's penetration of the available market.

The Trilemma prevents Algoma developing beyond its present role as a liberal arts college; but on all sides, within and without the institution, there is common agreement that the College cannot continue in existence in such a role.

## B. Intensive Recruiting

Shortly after the Board of Trustees was appointed in August, 1976, a major recruiting effort was launched. The Chairman of the Board, Dr. D. G. Howell, took charge personally.

The Advisory Committee was established to deal with the specific problems of recruiting. Vigorous steps were taken by the Director of Development and many organizations within the community. The alumni of the College were organized, close contact was made with guidance officers within the secondary schools, advertising campaigns were begun and members of the staff of the College became involved in advancing its interests.

It was hoped that these large efforts would result in the attainment of the enrolment determined by the Board of Trustees as being the minimum required to sustain the College.

As has been indicated, the recently published enrolment data indicates that the efforts were not a success.

A further comment must be made. Even if the recruiting efforts had been successful, the result might have been considered, in light of current circumstances, to be damaging to the Ontario system taken as a whole; it would have drawn students away from other universities which are not operating at maximum efficiency because of excess space in their arts and humanities faculties.

### C. New Affiliations and Relationships

In its second report, the Commission indicated that if a realistic plan were developed during the transitional period for the adoption of a meaningful role within the strictures imposed by the environment of the College, the Commission would make recommendations for the restructuring of the institution.

Several proposals were put forward for the consideration of the Trustees, members of the College staff and the community. These were framed within the context of a new role to be adopted by the institution.

These options included the following:

- a) closure;
- b) continuation in affiliation to Laurentian University;
- c) dissolution of Algoma College Association and establishment of the College as a satellite campus of Laurentian or another university;
- d) transfer of physical facilities to Sault College;
- e) affiliation to Lake Superior State College;
- f) establishment of an international university;
- g) affiliation to an Ontario university other than Laurentian;
- h) establishment of Algoma University College as a free-standing university;
- i) reduction of Algoma University College offerings to first or second year;
- j) establishment of a University of Northeastern Ontario.

Submissions were made to the Commission by a number of interested persons during the public hearings held in May, 1977. Further, private submissions were made relating to several of the proposals. All of these were carefully considered.

The Commission finds, however, that none of the proposals resolves the Algoma Trilemma; that is to say, none correct the problems of low enrolment, competition and scarce resources. Indeed, a number worsen the difficulties faced by the College.

The Commission has considered the options in Appendix I without in any way endorsing them.

#### D. Change in Funding Level

For many years, it has been urged by officials at Algoma University College that the government's formula for funding the College should be altered. It has been proposed that the value of the basic income unit be changed from 1 to 1.5.

The proposal has been based upon special claims for support.

However, prior to the establishment of the College and throughout its existence, the government made it clear that no change in the level of funding would be made insofar as Algoma was concerned. It was the government's position that the obligation of the governing body of the College was to maintain its operations within the funding level provided for liberal arts institutions. This was acknowledged and accepted by the College.

But, despite the clearly stated position of the government and Algoma's own acknowledgements thereof, the College undertook programmes whose costs could not be met within the limits of liberal arts funding. This resulted in large deficits. Rather than adopt a policy of retrenchment and abandon programmes which exceeded the income capabilities of the institution, its governors, prior to 1976, persisted in urging that the funding structure be changed. Some elements of the College have continued to hold to this position.

This position is unrealistic and unjustifiable. There is no indication whatsoever that the government will depart from its long-standing policy. Indeed, a change made in response to Algoma's demands would result in an immediate demand for change by other institutions, advancing perhaps more cogent and forceful reasons.

The fact is that Algoma University College, like other institutions, whether they be commercial, charitable or educational, must live within its means.

### E. Importation of Programmes from Other Universities

In the second report of the Commission, it was suggested that the College establish a complex of relationships which would permit it to draw upon the resources of other institutions. This proposal involved the establishment of courses and programmes under the administrative head of the College in Sault Ste. Marie, engaging teaching staff employed in other universities.

The College responded to this suggestion in at least one instance with the offering of a course entitled "Sex and Family Life" during summer session, 1977. The course was provided by the University of Waterloo under the auspices and using the facilities of Algoma University College.

The possible success of similar ventures can be measured by the effect that this course offering had on part-time enrolment. While overall part-time student enrolment dropped from 549 in 1976 to 489 in 1977 for intersession and summer session, enrolment in Sex and Family Life was 98 for summer session, 1977.

The success of this course offering also illustrates a feature of the Algoma student market. The College has a fairly fixed part-time student market which does not demand the frequent recycling of courses after the initial demand has been met.

The Commission sees the importation of programmes as filling a community need and being an important function of a university presence in the Algoma District. However the success of such a system would still not rescue the existing undergraduate programme of Algoma University College from the financial straits brought on by low enrolment, competition and scarce resources.

F. Algoma University College/Sault College of Applied Arts & Technology:  
Joint Programming

It has long been the view of many that meaningful programmes, responsive to community needs, might be developed through joint programming by the college of applied arts & technology and the liberal arts college.

Indeed, steps have been taken by Sault and Algoma during the past year to institute such programming. The joint fine arts programme is an example; it has proved to be a success.

However, the well-defined and separate responsibilities of the two institutions and the differing makeup of the students to which they direct their efforts result in only a limited number of opportunities for joint programming. It is hoped that the facilities and expertise of one will be made available to further a programme which has been instituted by the other, but large-scale efforts in common seem unlikely in the future.

Thus, the proposal is not one which would result in significant change in Algoma University College.

### G. Capital Expenditures

For reasons cited throughout this report, it is not possible to consider additional capital expenditures as a solution to the Trilemma.

The specific suggestion of residences as an inducement to prospective students must be rejected in the light of current trends. Student preference rejects residence life in favor of apartment living.

Residences are becoming white elephants for most universities. The cost of building and maintaining them is excessive and represents a continuing drain upon the resources of a university.

The suggestion that Shingwauk Hall be reconstructed or replaced is equally unrealistic, given the strong likelihood that no capital funds will be made available by the Government in the foreseeable future.

Thus, this proposal must be dismissed.

### H. Summary

It is the view of the Commission that none of the proposals advanced to deal with the Trilemma, or any combination of them, resolves the problems arising out of low enrolment, competition and scarce resources.

## CHAPTER V - A REALISTIC VIEW

### A. Reasons for Optimism Reconsidered

At the conclusion of the public hearings held in May and June of 1976, the Commission stated that it detected a new sense of realism amongst college administration and faculty and an awareness within the Sault community of the enormous financial and planning problems with which the College was faced. A positive response to the College from many elements of the community was noted.

It appeared that the community understood that a review of the College's programmes was necessary and that stringent economies of operation were required.

Though the Board of Trustees addressed themselves to many of the questions which were identified in the course of the public hearings, and performed well given the difficult, if not impossible, situation with which they were faced, there continues to be doubt as to whether a truly realistic attitude was adopted by a significant number of persons within the faculty, administration and the community.

The brief of the Concerned Citizens, submitted to the Commission in May, 1977, indicates the attitude adopted by many persons interested in the College: namely, that additional funds be provided in order that the physical plant be upgraded and that operating funds be made available for the institution of so-called innovative programmes.

The arguments not only fly in the face of government policy, requiring as they do a substantial departure from the government's funding formula, but most significantly, fail to acknowledge the realities of the Algoma Trilemma.

This position disregards the projections which clearly demonstrate that financial disaster lies but a short distance ahead.

The transitional period of the trusteeship provided an opportunity to restore balance. The Board of Trustees, the faculty and the community responded enthusiastically, but there was not forthcoming from any of them a clear-cut, realistic definition of a viable role. The only proposal offered was to adopt a "wait and see" attitude. This is not a tenable position in view of the sharp decline in enrolment and the increasing financial losses suffered by the College during the past several years.

## B. The Reality of Enrolment

The College administration has erred in its enrolment projections since 1971. The shortfalls from projections were demonstrated in the preliminary report of the Commission. Unfortunately, 1977-78 has proved to be no exception to the history of over-projection.

The Trustees, in the brief submitted by them to the Commission in May, 1977, took a realistic view of the situation at the College in relation to enrolment. They unequivocally stated that if the College could not attain a full-time enrolment of 300, it could not continue in existence. The actual enrolment for the academic year 1977-78 was 200 full-time students, fully one-third fewer students than required to maintain even minimum financial stability.

Once again, the hopes and aspirations inspiring the recruiting efforts of the College have been dashed by the realities of the limited market.

Reference has been made earlier in this report to enrolment. The data quoted indicate clearly that, particularly in light of the overall decline which is anticipated for the 1980's and the prevailing trends in the community, there is no justifiable or reasonable basis for thinking that Algoma's position will improve.

To the contrary, realism demands the finding that it will continue to decline.

### C. The Reality of Community Attitudes

Despite the optimistic view of those who support Algoma University College, there is a deeply ingrained trend on the part of the graduates of secondary schools in the Algoma district to go elsewhere for their university education. The University Student Information System Statistics for 1976-77, released by Statistics Canada, indicate that fewer than 40 per cent of all university students from the Algoma district attend the College. This figure is significantly lower than those for other university cities elsewhere in the province.

One may draw many conclusions from this fact. It is sufficient to say that it reflects adversely upon the claim of a need or desire for Algoma University College as an undergraduate arts and humanities facility.

Despite the advantages claimed for Algoma, it seems unlikely, given the advantages offered by the well-established universities elsewhere in Ontario, that this trend will be reversed.

Further, there appears to have been, at least until recently, a tendency on the part of many persons in the community, who were otherwise qualified to support the institution, to avoid participation in its affairs. Perhaps this was understandable, given the atmosphere of mistrust and tension that existed prior to 1976.

The relatively small number of supporters, most of whom came forward in the course of the public hearings conducted by the Commission, carried on with a dedication and devotion which is to be admired. They were lacking support, however, from significant elements of the community.

It must be acknowledged that the vigorous leadership provided by Dr. Howell and his fellow Trustees have by now attracted the support of important elements of the community. However, this support was withheld during critical periods.

#### D. The Reality of Finances

Clarkson, Gordon and Company were engaged to make a report to the Commission in July, 1977. It was received in mid-October. The report is attached as Appendix I. It speaks for itself.

In their summary of findings and conclusions, Clarkson, Gordon and Company observed that, based upon calculations and assumptions set out in the Appendices to the report, Algoma University College would show annual deficits rising from approximately \$195,000. for the year 1978-79 to \$417,000. for the year 1980-81, and to \$741,000. for the year 1991-92.

The accumulated deficit at April 30, 1981, would be \$1,421,000., and at April 30, 1992, it would be a staggering \$7,703,000.

Further financing to the extent of \$1,019,000. would be required by April 30, 1981, in addition to that already arranged by borrowing from the Royal Bank of Canada. No resources are available to secure such additional financing.

The report assumed increases in the value of government funding to cover the inflationary increases. Recent indications are, however, that during the coming five-year period, at least, the level of government funding will be substantially lower than inflationary increases; thus the deficits of the College would be increased to the extent of such deficiencies.

In order for the College to break even, enrolment would have to be increased by 33 per cent over the projections of Clarkson, Gordon and Company for 1977-78 and by 66 per cent over its projections for 1980-81. Such increases are clearly impossible to achieve.

The forecasts made by Clarkson, Gordon and Company assumed the best of circumstances. Specifically, they assumed that the only costs of

additional enrolment would be academic salaries at present rates, and that there would be no increases in non-direct costs such as library, administration and maintenance, and no capital costs for equipment and other facilities. The Commission notes that an institution cannot function over the long-term with such restrictions on expenditures.

The second report of the Commission said it hoped that the question of the survival of the College need not be answered on a purely economic basis. Nevertheless, irrefutable facts cannot be ignored. In today's economic environment, with both ever-increasing demands for wider social, welfare and health services and decreasing financial resources, educational institutions that have no clearly defined and necessary role cannot be permitted to survive.

The Commission would be lacking in a sense of duty if it failed to give the greatest weight to the Clarkson, Gordon and Company report.

### E. The Sanders Fund

The College has recently been made the beneficiary of the generosity of Mr. Carl John Sanders. Originally, the late Mr. Sanders made a gift inter vivos to the College in the amount of \$250,000. He has recently died, and his will provides for Algoma, together with other institutions, being the residuary beneficiaries of his estate. It is expected that the additional sum of money accruing to the College from the estate will be approximately \$250,000.

The Commission has detected an inclination to view this money as a kind of lifebelt which may be used to sustain the College in its current operation for a further period of two or three years. Indeed, as noted earlier, the Financial Exigency Committee saw it as providing the College with a "temporary breathing space". The fund has been pledged to the Corporation banker as security for repayment of its borrowings.

In the Commission's view, the money should be held in trust and employed for the purposes undoubtedly intended by the testator: namely, to support a viable programme of post-secondary education for the citizens of Sault Ste. Marie and the Algoma district, and not as a transfusion whose only purpose would be to sustain a critically ill patient for another year or two of painful terminal illness.

The Commission considers that any use of the funds to offset the deficit of the College, or for further experimentation, or for the discharge of its debts would do an injustice to the man whose generosity made it possible.

These monies must be conserved for meaningful programmes having long-term viability.

#### F. The Reality of the Grant Formula

Much has been said about the inadequate funding of the College by the provincial government under the terms of the grant formula. The formula is the product of a clearly-defined and oft-stated policy of the provincial government. It applies throughout the province even though in certain areas, claims are made for additional financing which are based upon circumstances similar to those of Algoma and which may, objectively, be considered as having greater merit.

Further, it must again be recalled and acknowledged that Algoma commenced its operations, having agreed with the government that it would operate without capital grants and within the formula financing scheme, and that it would not receive special consideration.

It is wholly unrealistic to assume that the government will depart from its oft-stated position. And yet, one of the arguments advanced in support of the College continues to be based upon the unrealistic demand that the formula be changed in the case of Algoma.

It has been said that the major problem facing the government today is the allocation of scarce resources. This condition will continue throughout the foreseeable future. It would seem wholly without justification that there should be any reasonable expectation that the formula will be changed insofar as Algoma is concerned, or, for that matter, any other institution.

In any event, any adjustment to the formula would deal with only one aspect of the Algoma Trilemma, namely, the resources available to it. It would not come to grips with the factors of low enrolment or competition, either of which is fatal, in the judgment of the Commission, to the aspirations of the College.

## G. The Reality of Physical Resources

From the outset, the Commission expressed grave concern for the high investment made by the College in bricks and mortar. It was considered that the purchase of Shingwauk Hall and the subsequent investment in the library facility were inappropriate and unwise.

Despite the approving comments of Clarkson, Gordon and Company in their June, 1976, report concerning the condition of Shingwauk Hall, the Commission takes the view that the structure is uneconomic and will ultimately prove to be a heavy drain upon the resources of the College.

The Public Institutions Inspection Panel under The Public Institutions Inspection Act, S.O. 1974, Chapter 64, reporting in November of 1976 said "the Panel found very little that met with their expectations of this building (Shingwauk Hall) being a place conducive to learning." It was the Panel's judgment that more monies should be spent on the building or a new structure erected.

Again, the words of the Concerned Citizens' brief submitted to the Commission in May, 1977, echo the view of many members of the community: "Gradual asphyxiation is inevitable if, year after year, faculty and undergraduates are confined to an inadequate and deteriorating facility. Substantial enrolment growth cannot therefore be anticipated when even the basic amenities are denied: suitable recreation areas, adequate library space, respectable faculty accommodations and minimal landscaping, to name a few of the more obvious deficiencies of a campus which is in many ways admirably suited to its purpose."

The list of deficiencies can be extended: wholly inadequate temporary buildings, lack of athletic facilities, lack of laboratories and equipment.

These deficiencies will multiply as the years pass. The replacement, renovation and repair of these facilities would greatly increase the burdens reflected in the Clarkson, Gordon and Company report which, notably, did not take into account capital expenditures in its projection of deficits.

Already, as evidenced by the brief of the Concerned Citizens and the Public Institutions Inspection Panel, pressure is mounting for the replacement of Shingwauk Hall. This project could not be completed, based on current construction costs, for a price less than \$3,000,000.

This would be wholly unjustified and a grave misapplication of government funds.

## CHAPTER VI - THE TRILEMMA: A FINAL RECKONING

The foregoing review of realities rebuts the argument offered by most elements of the community and the College. That argument, simply put, is that if greater capital and operational funding were made available, the College could survive. It presupposes two mutually exclusive alternatives. These are:

1. expand resources to broaden the market; or,
2. restrict offerings to what can in fact be provided.

Low enrolment and scarce resources, financial, manpower and physical plant, prevent the first alternative from succeeding. Past experience has demonstrated that the second alternative cannot succeed.

This is the vicious circle in which Algoma University College finds itself. None of its elements, low enrolment, competition nor scarce resources, can be resolved. Any one of them would spell disaster. All are present.

The only conclusion that can be drawn from a review of the hard realities is that, despite the sincere efforts of many from both within and without the community, the College is irreversibly destined to collapse. It is the judgment of the Commission that there is no remedy or combination of remedies which will permit it to survive in its present circumstances.

The Commission is persuaded that, given past experience and a reasonable appreciation of future conditions, the vicious circle described by the Concerned Citizens must immediately be broken. The time has therefore arrived for decision.

## CHAPTER VII - DELIVERY OF POST-SECONDARY EDUCATION IN THE ALGOMA REGION

### A. Objectives

The objectives of post-secondary education in any area include both the obvious goal of educating students and the more subtle but equally important function of enriching the community. The objectives can be characterized as follows:

- 1) educating students, whether by degree or diploma courses;
- 2) enriching the community through arts programmes and the involvement of faculty in community life, coupled with programmes of study for interest and recreation rather than career enhancement;
- 3) providing post-graduate and specialized training intended to aid community members in updating their professional and technical skills, along with providing research facilities.

In determining how best these objectives may be achieved, the Commission holds as a basic premise that an evaluation of the present delivery system must be made and that all resources available in the Algoma region must be considered. This includes resources on both sides of the international boundary.

## B. The Cameron Proposal

Dr. David Cameron, in his report entitled "The Northern Dilemma: Public Policy and Post-Secondary Education in Northern Ontario", February 1977, indicated the major objectives of the delivery system in Algoma to be the following:

1. the personal development of individuals;
2. the assurance of a literate citizenry;
3. the training of scholars, professionals, craftsmen and tradesmen.

He identified inter-related objectives. These included the economic and social development of the region, the supply of skilled manpower, and equality of academic access.

He urged that a post-secondary system be established which was more fully responsive to the needs of the North, and that it operate in a framework of established educational policy for the province as a whole.

The Roberts Plan of the sixties established a streaming process. It has served the community well; however, the question now is whether, in view of the rigidly drawn jurisdictional lines between the Arts and Science and Applied Arts and Technology streams, the streaming process permits a response to the retrenchment demanded by the current economic climate.

Dr. Cameron addressed the problem of limited resources and proposed, as a solution, the merger of the Algoma University College with Sault College of Applied Arts & Technology. In so recommending, he urged that economies of scale and a continuum of education would result. He acknowledged that many problems lay in the path of such a proposal. These included the different philosophical bases upon which the two institutions are founded, differing funding bases, different staff policies and other factors.

The basic thrust of Dr. Cameron's report was directed to providing a facility for undergraduates which was responsive to the needs of the North. It was designed, in recognition of resources being insufficient for realization of the ideal of equality of access, to provide a viable facility for the use of the North.

Dr. Cameron addressed himself to a specific area of concern. For the purpose of this report, the Commission proposes to adopt a broader perspective.

### C. Educating Students

For those students wishing career-oriented diploma courses in applied arts and technology, the facilities at Sault College of Applied Arts & Technology have proved entirely adequate. Further, those students graduating from Sault College seeking a university degree have been permitted, because of agreements made between the College and Lake Superior State College, to enter the latter's programme at the third year level and proceed to a university degree.

Upon its creation, Laurentian University was designated the university of northern Ontario. The campus at Algoma University College was intended to provide a liberal arts education for those post-secondary students in Sault Ste. Marie seeking a university degree. It was not expected to, and the government specifically directed that it should not, enter into any science or other programmes; these were to be offered elsewhere.

For those students wishing a traditional degree course, the facilities at Lake Superior State College are more than adequate. Lake Superior provides the same opportunities to post-secondary students as those offered at Algoma University College except with respect to the transferability of its credits to other universities within the Ontario system.

Subject to this factor, the needs of Algoma post-secondary students in the liberal arts area appear to be met by Lake Superior State College.

Insofar as honours, professional and post-graduate programmes are concerned, the post-secondary students of the Algoma district are in substantially the same position as those in most communities of Ontario which are remote from large metropolitan centres. These students must attend,

like their southern counterparts, the multi-facultied universities located at a distance from their homes.

It is appreciated that there are some who do not regard Lake Superior State College as an alternative to Algoma because of differing academic standards, the deficiency of Canadian content, and for more nebulous reasons involving national pride.

Yet one must acknowledge the realities of the situation. The communities of northeastern Michigan and the Algoma district have cooperated with one another for many years. Many resources including hospitals and health services in Ontario have been made available to Lake Superior State College for the training of its students. On the other hand, Lake Superior has, for an extended period of time, offered programmes to professional and business persons in Sault Ste. Marie, Ontario.

In sum, it is the judgment of the Commission that the needs of post-secondary students in the Algoma district are in fact currently being met by Lake Superior State College and Sault College, except in those disciplines and advanced academic areas which can only be provided in metropolitan centres.

#### D. Community Enrichment

The Commission recognizes the culturally broadening influence of a university presence and considers that this should be retained if at all possible. In so saying, it notes the continuing existence of Lake Superior State College.

Further, as the second report of the Commission indicated, the proper and indeed perhaps one of the most important roles of a college set in a community such as Sault Ste. Marie is its involvement in community cultural and recreational programmes. Heavy emphasis must be placed on cultural and recreational programmes. These are the shared responsibility of the Ministry of Colleges and Universities, the Ministry of Education and the Ministry of Culture and Recreation.

The Algoma community has resources, if properly organized, to assure the establishment and continuance of such programmes. These resources are to be found not only within the existing educational institutions but also in the numerous governmental, business and industrial establishments, and in the ethnic and other communities on both sides of the international border where persons of wide and varied backgrounds live and work. These are the participants in and supporters of many cultural undertakings.

### E. Mature and Adult Students

Algoma University College began, in 1976-77, to give great emphasis to its outreach programme. This programme ultimately contemplated extension services into the Algoma region for the benefit of the adult and mature populations.

Adult and mature students are, in fact, disadvantaged by reason of their residence in the Algoma district. They are deterred by distance from attending Ontario universities offering professional and graduate programmes. In the course of the public hearings, and as a result of the investigations conducted by the Commission staff, there appears to be some demand for honours and graduate courses for professionals and others in the Algoma district. These persons are not presently provided for.

In this connection, the potential market area lies in those employees of business and industry seeking advanced courses in business administration and commerce, those engaged in the physical and health sciences, in the social sciences, in education, in personnel and labour relations and in law who want to continue their professional development and seek opportunities for advanced degrees.

Facilities are lacking for such persons. It may be that a careful investigation of demand would indicate a need for the institution of courses to serve such persons. For the moment, the group is identified as a potential target for the delivery of educational services.

## F. Summary

From a review of the objectives and delivery of post-secondary education in the Algoma region, the Commission draws the following observations:

- a) post-secondary students are indeed well served on the technical-vocational and undergraduate university levels;
- b) there are deficiencies in post-graduate, professional and honours programmes;
- c) the geographical remoteness of the area involves isolation and endangers cultural development;
- d) adults are not well served, and there is a need for more post-graduate, refresher and continuing education courses.

The proposals made in this report are based upon these observations.

## CHAPTER VIII - CONCLUSION: INSTITUTIONAL REDUNDANCY

The Commission concludes from the preceding review of post-secondary education in the Algoma region that Algoma University College as an undergraduate liberal arts facility is redundant. It therefore submits the following recommendations:

### A. Termination of the Liberal Arts Undergraduate Programme

The Commission recommends that the Board of Trustees should make application, prior to the conclusion of the current academic year, for supplementary letters patent to amend the objects of Algoma College Association to terminate its offering a Bachelor of Arts degree programme.

It is urged that the Trustees immediately begin the preparation of a plan to phase out the current liberal arts programme by the end of the year. In so doing, they should assure that none of the students presently enrolled in the programme be prejudiced, and that every effort be made to permit those faculty members no longer required for the undergraduate programme of the College to secure other employment.

In order to ensure an orderly winding up, the Trustees should enlist the aid of an Academic Assessment Team comprising three persons, one of whom should be the nominee of the faculty, one the nominee of the Trustees, and the third to be a person elected by the two persons so appointed.

The Commission is convinced that these steps should be taken, however unpalatable they may be, at the earliest date and that the government, in order to conserve the assets of the Corporation and to assure that they may be devoted to the purposes hereinafter defined, should settle all

speculation by declaring that at the end of the current academic year, no further funding will be provided for the undergraduate programme.

Termination must be effected quickly in order to protect existing resources and to provide for faculty and students. Any delay will damage the position of both faculty and students.

The Commission makes this recommendation, underscoring the need for immediate action, as a necessary first step in meeting the objectives of post-secondary education in the Algoma region.

B. Lake Superior State College and Sault College of Applied Arts & Technology as the Under-Graduate Delivery Agents

The Commission further recommends that Lake Superior State College and Sault College of Applied Arts & Technology be acknowledged as those institutions responsible for undergraduate education: the former in the area of arts and science, the latter in the area of applied arts and technology.

Such a designation would permit each institution to undertake the planning necessary to ensure appropriate expansion of its programmes with an assured market, free from destructive competition.

It is hoped that, if this acknowledgement and implied designation are made, Lake Superior State College would permit an expansion of its governing body to allow for representation of persons from the Algoma district.

It would be further hoped that the governments on both sides of the international border would recognize the special circumstances and adopt appropriate policies with regard to tuition fees, work permits and ease of border crossings to facilitate student and staff access to educational institutions in the region.

It would be further hoped that the provincial and federal authorities would respond sympathetically to requests by Lake Superior State College for use of facilities on the Canadian side of the border such as hospitals, laboratories and other resources in the Algoma district.

International cooperation would enhance opportunities for the development of Lake Superior State College and indirectly, all educational facilities in the area.

## CHAPTER IX - PROPOSAL: "THE SAULT REGION EDUCATION PLANNING COUNCIL"

If Lake Superior State College and the Sault College of Applied Arts and Technology are designated as prime delivery agents for education in the arts and sciences and in applied arts and technology respectively, there would continue to be gaps and deficiencies in the delivery system within the Algoma district.

These would include the following:

- a) honours programmes;
- b) outreach programmes;
- c) portability of credits;
- d) continuing educational services to professionals;
- e) cultural and recreational development;
- f) research;
- g) studies at university level relevant to the Canadian experience;
- h) programmes specifically designed for native people.

It is suggested that through appropriate planning the potential of the resources which presently exist in the area can be realized and many of these deficiencies can be remedied.

There is a need, as signalled by the Ontario Council on University Affairs in 1976, for planning and decision-making to contemplate "a level and distribution of public resources that reflects increasing stringency" as we move into the eighties. The Minister of Colleges and Universities, in a recent interview, indicated that the next decade will see a consolidation and rationalization of college programmes and faculties in all Ontario universities.

With this prediction in mind, immediate steps must be taken throughout the province to meet the challenge of the eighties. These steps must be geared to develop the institutionalized means to assure the cooperation of all elements involved in the delivery of educational services.

The Sault Region, which the Commission sees as including the District of Algoma and the Michigan counties of Chippawa, Luce and Mackinac, must be viewed as a self-contained entity. Because of its relative isolation, it must look inward and draw upon its own resources. These resources must be organized in the most efficient manner possible in order to provide for the educational, cultural and recreational needs of the district.

In order to employ facilities to their full potential, the Commission recommends the establishment of a regional education planning council. This council, which would make recommendations only, would include in its scope the whole of the Sault Region, as defined by the Commission. As such, it would serve the interests of residents of these areas on both sides of the international boundary. It is suggested that this council be named "The Sault Region Education Planning Council".

A. Organization of the Sault Region Education Planning Council

The Commission recommends that the corporate entity known as Algoma College Association be employed as the vehicle for the establishment of the Planning Council.

In order to function effectively, the Council would require an organizational structure, a chief executive officer and a staff appropriate to its needs.

It is proposed that the representatives to the Council include the following:

1. a representative of Lake Superior State College, the chief agency for the delivery of undergraduate programmes in arts and science;
2. A representative of Sault College of Applied Arts & Technology, the chief agency for the delivery of vocational and technical education;
3. representatives of the secondary school systems in northeastern Michigan and the Algoma district;
4. representatives of industry and commerce;
5. representatives of labour;
6. representatives of municipal government.

In addition, it is recommended that representatives of the State Board of Education of Michigan and the Ontario Ministry of Colleges and Universities, the Ministry of Culture and Recreation and the Ministry of Education have direct access to the Council.

## B. The Objectives of the Sault Region Education Planning Council

The special mandate of this organization would be to organize and mobilize the means whereby the resources of the entire Sault Region may be coordinated to provide the widest educational, cultural and recreational benefits to the inhabitants of the area.

All agencies involved in the delivery of educational services would be permitted to play a role in planning. Through their participation in the work of the Planning Council, they would establish appropriate relationships with other institutions to assure the maximization of their resources. This would require imagination, hard work and patience.

The objective of the Council - the coordination of educational resources in the Sault Region - can be broken down into more specific objectives:

1. the assessment of the particular needs of the community;
2. the assessment of available resources;
3. the identification of programmes designed to satisfy identified needs with available resources;
4. the projection of the costs of these programmes;
5. the determination of means of funding such programmes;
6. the identification of agencies capable of delivering such programmes.

In short, the Council would provide a suprastructure which would undertake, on a global basis, a process of comprehensive regional planning.

A primary function of the planning aspect of the work of the Council would be the avoidance of duplication and overlap. It would provide a

forum for close communication and coordination of the efforts of the institutions represented, and in so doing would maximize their usefulness through its careful assessment of resources including manpower, plant and equipment.

It is imperative that the Council emphasize adult education, cultural development and extension programmes. It would also be responsible for monitoring new developments in education, culture and recreation in order to bring these to the people of the Sault Region.

## CHAPTER X - PROPOSAL: OUTREACH ALGOMA

It is contemplated that the Council will identify, in undertaking its planning work, certain programmes and activities which cannot conveniently or properly be undertaken by existing educational institutions. These programmes could include continuing education, professional development, extension and outreach.

It is proposed that this function be undertaken by a separate body within the Council's corporate structure and that the body be known as "Outreach Algoma".

Though it is expected that the activities of Outreach Algoma will, at the outset, focus on the Canadian side of the border, it is hoped that as experience is gained and confidence achieved in the work of the Planning Council, its work may be expanded to include its constituency in the State of Michigan.

### A. Special Institutes

The proposal for Outreach Algoma contemplates a certain degree of responsible experimentation since certain areas of study and scholarship of particular interest to the north are not areas of traditional research.

These areas were identified by the Trustees of Algoma University College and include the following:

- a) environmental and conservation considerations;
- b) the use of renewable and non-renewable resources;
- c) the development of the north in terms of the settlement of hitherto uninhabited areas;
- d) the enrichment of the quality of life in northern communities which exist in relative isolation from urban centres, through various cultural, artistic and musical activities;
- e) the study of the role of native peoples and their culture in an increasingly technological society.

It is therefore recommended that special institutes be established analogous to those at the College of Cape Breton \* in Sydney, Nova Scotia. These institutes would serve as catalysts and employ the talents and resources available to them within the Sault Region. These would be separate administrative organizations within Outreach Algoma. The onus will be on the Planning Council to identify the need for a project and for the Board of Directors to secure the necessary funding before the project is undertaken.

Consideration should be given to the establishment of an industrial research institute to permit the employment of the talents of academics and social and physical scientists in the area for undertaking contract

research for business, government, industry and service institutions within the Sault Region.

A separate institute might be established specifically for the development of cultural opportunities within the area.

As well, another institute might be established to deal with sport, recreation, tourism and special activities within the region.

Obviously, none of these proposals can be implemented overnight. All will require careful study and planning. Particular care must be taken by the Planning Council to assure appropriate funding.

They are identified to indicate the wide range of activities which are the subject of study and planning. As the Commission understands it, they have proved viable on Cape Breton Island, in circumstances remarkably similar to those existing within the Sault Region.

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\* At the College of Cape Breton, three separate institutes have been established: The Beaton Institute, The Bras d'Or Institute and The Tompkins Institute. These organizations, under the umbrella of the College of Cape Breton, respectively undertake the following:

- a) the provision of a repository for the history and archives of the region;
- b) the stimulation of research development and inquiry relevant to the region; the membership includes biologists, chemists, engineers, geologists, philosophers, physicists, social scientists, theologians and people of the local community interested in research and development projects within the region;
- c) the investigation of human values and the impact of technological changes on society in general and upon the region in particular. The activities of this institute are interdisciplinary and problem-oriented, and are concerned with the identification and analysis of issues of concern to the community and development of practical solutions.

## B. A Broker's Role

Outreach Algoma would, in undertaking such programmes as are approved and assigned to it for implementation by the Planning Council, be responsible for the engagement of qualified academics and other persons to teach the prescribed courses and undertake the necessary work. Such persons would be engaged on a short-term basis and be employed as independent contractors. They would be recruited by Outreach Algoma from Lake Superior State College, Sault College and professional and other faculties in other universities. They would also come from such other sources, including business and industry, as would assure satisfaction of the educational, cultural and recreational needs of the Sault Region.

The foregoing need not necessarily lead to the awarding of certificates and degrees. These are already available through Sault College of Applied Arts and Technology and Lake Superior State College. However, Outreach Algoma, acting in its role as broker, could arrange for degrees to be offered by, and for the transfer of credits to and from, the various institutions with which it makes agreements.

Since Lake Superior State College would be designated the element of the Sault Region educational system responsible for undergraduate Arts and Sciences, it would be necessary, particularly for Canadian students, to be assured that credits earned by them at Lake Superior might be transferred to other universities in the Ontario system so that they might pursue honours and postgraduate degrees.

A specific role for Outreach Algoma would be to secure recognition and accreditation of programmes at Lake Superior State College by Ontario universities as well as other Michigan schools. Thus the opportunities provided students attending Lake Superior State College for post-graduate education would be greatly extended.

### C. Canadian Content

To ensure that the programmes and courses at Lake Superior State College serve the particular needs of Canadian students, it would be necessary to encourage the development of courses with a Canadian perspective in that institution. This would be another facet of the role of Outreach Algoma.

Alternatively, Outreach Algoma might assume the broker's role in its relationship with Lake Superior State College and engage appropriate academic persons, on a terminal basis, as independent contractors, to offer such courses. Ultimately, it is hoped that as student demand is made known, permanent programmes and courses might be established at Lake Superior State College.

## CHAPTER XI - THE TRANSFORMATION OF ALGOMA COLLEGE ASSOCIATION: A DIFFICULT AND CHALLENGING TASK

### A. Summary of Major Recommendations

The major proposals outlined in this report are the following:

- a) that the undergraduate programme of Algoma University College be terminated at June 30, 1978;
- b) that the Algoma College Association corporation be reorganized to assume the role of a regional education planning council at the earliest date;
- c) that the Planning Council assume the role of a recommendatory body for assessing, coordinating and planning resources;
- d) that a substructure be created within the corporation to be known as Outreach Algoma to establish, finance and administer such educational and cultural programmes, particularly in the areas of outreach, continuing education, research and development, as may be recommended by the planning council, within the means and resources available to the corporation.

These proposals are predicated upon a need for the careful assessment of resources and the subsequent implementation of programmes to maximize and realize the potential of such resources. Such an undertaking is mandatory if educational services within the community are to cope with reduced enrolment and finances. The proposals involve a definition of the primary function of Lake Superior State College being the provision of undergraduate liberal arts and science education, and Sault College of Applied Arts & Technology providing for vocational and technical education and training.

The primary goal for Outreach Algoma is the provision of educational and cultural programmes for adult and extension students and persons in the work force. These are identified as the group which is, in fact, disadvantaged and culturally and educationally deprived by reason of the district's isolation and who, because of their lack of mobility, will most benefit from a university presence in the area. These persons, professionals, trade unionists, employees of business and industry, housewives, persons engaged in government, health services, teaching, social service, are those for whom Outreach Algoma takes on the greatest meaning. It is for these that the assets and resources must be protected and conserved.

The proposal for the taking of immediate steps to wind up the undergraduate programme is made to avoid further loss of these resources and erosion of these assets.

## B. Implementation

How are these steps to be taken? They involve a hard decision which will be particularly difficult to make for those who have devoted many years of effort to the development of the College. In many ways, it would be easier, and a more charitable approach, if it were suggested that persons other than the present Board of Trustees undertake the work. Every decision made by them in winding up the undergraduate programme will have a direct impact upon friends and colleagues with whom they have been associated for many years.

The Commission would not blame nor criticize any Trustee who declared himself unable to undertake the work by reason of conflicts of interest or duty or by reason of his personal association with those affected.

If, however, an orderly winding up is to be effected, the assets of the corporation preserved, the interests of the students protected, and most especially, those persons who are displaced from employment sympathetically, fairly and honourably treated with, it is essential that those who are most knowledgeable about the community and the College and its staff undertake the work.

If it were attempted by strangers or those unfamiliar with the needs, interests, concerns and circumstances of the persons involved, the results would be unsatisfactory.

It is recommended that the present Trustees remain in office to preside over the restructuring of the College, to assure the orderly winding up of the undergraduate programme and the protection of interests, and to establish the Planning Council at the earliest date so that it may quickly assess and marshall the resources of the district to meet the crunch of the eighties.

If the Trustees or any one of them feel that, regardless of these considerations, he is unable to continue in office, then appropriate steps should be taken to secure his replacement. Each should recognize that time is of the essence if adequate safeguards are to be instituted to protect the vital interests of the staff, students and the community.

What steps, then, are required to be taken? The Commission suggests the following:

- a) that as soon as may be practicable, the Board of Trustees arrange for the establishment of the Academic Assessment Team referred to in Chapter IX to assist them in planning for the orderly winding up of the undergraduate programme;
- b) that the Board of Trustees assess the course requirements of the students presently enrolled in the undergraduate programme and that contact be made with Laurentian University to arrange for the teaching of such students until completion of their courses of study; provided that in so doing, Laurentian should employ the plant and facilities of Algoma and employ the services of those members of the College faculty who have been unable to secure other appointments or who have not made other arrangements prior to June 30, 1978.
- c) that consultation begin immediately with those bodies and agencies referred to in Chapter XII to consider the formation of the Sault Region Education Planning Council;
- d) that application be made for supplementary letters patent as quickly as possible to provide for the following:
  - 1. the name of the corporation be changed to "The Sault Region Education Planning Council";

2. the objects of the corporation be changed to provide for the establishment, management and operation of a regional education planning council, whose purview shall include the geographical areas known as the District of Algoma and the Counties of Chippawa, Luce and Mackinac in the State of Michigan; provided that nothing in the letters patent contained shall be deemed or purport to confer any power or authority over any person, agency or government body within the stated territory, it being understood that the function of the Council is advisory in nature and membership therein and sponsorship thereof is wholly voluntary.
3. the composition of The Sault Region Education Planning Council be as described in Chapter XII hereof;
4. the duties of the Board of Directors be as described in Chapter XII hereof;
5. the creation of a substructure of the Board of Directors, as a standing committee thereof, to be known as Outreach Algoma, which shall be organized under the headship of a person to be known as the Director of Outreach Algoma, whose objects and function shall be to undertake such programmes as may be proposed by The Sault Region Education Planning Council and authorized by the Board of Directors.

CHAPTER XII - THE FUTURE STRUCTURE OF THE CORPORATION AS THE SAULT REGION  
EDUCATION PLANNING COUNCIL

A. Internal Structure

The Commission, in recommending that Algoma College Association be transformed into the corporate vehicle for The Sault Region Education Planning Council, proposes that the members of the Corporation, as defined by The Corporations Act, R.S.O. 1970, Chapter 89, be constituted as the Council.

It is proposed that the membership of the Corporation, being the Planning Council, comprise the following persons:

1. two persons, one of whom shall be the nominee of the Governor of the State of Michigan and the other of whom shall be appointed by the Lieutenant-Governor-in-Council, both of whom shall serve as co-chairpersons;
2. a nominee of the Board of Control of Lake Superior State College;
3. a nominee of the Board of Governors of Sault College of Applied Arts & Technology;
4. a nominee of the City Commission of Sault Ste. Marie, Michigan;
5. a nominee of the Council of the City of Sault Ste. Marie, Ontario;
6. fifteen persons who shall be appointed by those nominated in accord with the foregoing provisions to ensure that the Council shall be broadly representative of educational, business and cultural interests within the District of Algoma and the Michigan counties of Chippawa, Luce and Mackinac.

Following the initial appointment of the foregoing persons, one-third of such persons shall hold office for a term of one year, one-third for a term of two years, and one-third for a term of three years as determined by lot. Thereafter, the term of office of all members of the Council shall be for three years, subject to renewal for two further three-year periods. As each person's term of office ends, his successor shall be appointed by the persons or bodies entitled to make the appointment of the person who has retired.

The Board of Directors of the Corporation, exercising such powers as are conferred upon a Board of Directors under the provisions of The Corporations Act, shall be elected and appointed at each annual meeting of the members. The Board of Directors shall be composed of five persons and there shall be included amongst their number, the co-chairpersons of the Planning Council. The Board of Directors shall elect from amongst their number, the President and Treasurer of the Corporation.

The duties of the Board of Directors shall include the funding of the activities of the Planning Council according to forecasts and budgets approved by the Board, the funding of the activities of Outreach Algoma, the engagement of such staff and the provision of such resources as may be required for the conduct of the Corporation's work.

During the period prior to the end of the current academic year, the Board of Trustees, reconstituted as the Board of Directors, should assess the administrative and other requirements of the Planning Council and Outreach Algoma in order that an organizational plan and a financial forecast may be established as quickly as possible.

B. Staff

Adoption of the foregoing plan contemplates that all members of the staff of Algoma University College be placed upon notice that their employment will be terminated at the end of the current academic year, subject to such provisions for compensation as may be required under the terms of the collective agreement made between the Corporation and the Faculty Association of Algoma University College or under the terms of individual contracts of employment.

### C. Future Physical Location

It is recommended that the Board of Trustees, reconstituted as the Board of Directors, make plans for the early abandonment of the Shingwauk Hall campus and the transfer of the offices of the Planning Council and Outreach Algoma to new premises within or adjacent to Sault College of Applied Arts & Technology.

Thereafter, the Board of Directors should take such steps as may be necessary to sell and realize upon the value of the main campus and the Fourth Concession properties so as to augment the capital of the Corporation and discharge its liabilities.

The Library should be offered for such community service as may be most suitable and arrangements made for the transfer of the holdings to Sault College or such other place as may be appropriate.

### D. Administrative, Housekeeping, Financial and Other Services

Simultaneously with the transfer of the offices of the Planning Council and Outreach Algoma to the Sault College site, it is recommended that a contract for services be made with Sault College for the provision of all clerical, accounting, housekeeping, maintenance and other services as may be required by the Council and Outreach Algoma for their undertakings.

#### E. Relations with Other Institutions

Once the Algoma liberal arts programme is terminated, there would be no further need for continued affiliation with Laurentian University unless this might be required as a formality for grant purposes. Accordingly, it is recommended that the affiliation be terminated.

It is recommended further that any bilateral arrangements between Outreach Algoma and Sault College for academic services be made only after recommendation by the Planning Council in the future.

Similarly, it is recommended that any formal bilateral arrangement between Lake Superior State College and Outreach Algoma be made only as may be required to establish the programmes recommended by the Planning Council.

Further, it is recommended that such contractual arrangements with other educational institutions be made from time to time as may be required to further the programmes proposed by the Planning Council.

In undertaking the brokering process, where courses are provided for credit, Algoma would comply with the academic standards imposed by the university offering the course. In such circumstances, credits would be accorded by such university.

### CHAPTER XIII - FUNDING OF THE SAULT REGION EDUCATION PLANNING COUNCIL

It is recommended that the research and planning activities of the Council, its provision of information services, its staff salaries and other costs be covered through the following:

- a) funds generated from the investments of the Corporation;
- b) the voluntary donations of its constituents;
- c) grants from appropriate governmental agencies;
- d) grants and gifts from trusts, foundations and private sources.

The funds available for administration by the Board of Directors of the Corporation will include fees from courses and programmes, grants from governmental and private sources, endowments and contract research.

No programme, whether extension, adult education, contract research or the creation of institutes, should be implemented by Outreach Algoma unless and until it has received the approval of the Sault Region Education Planning Council and the Board of Directors of the Corporation. The granting of such approval should be dependent upon the programme being self-financing; that is to say that the fees and other income derived therefrom would be equal to or in excess of costs, subject to such modest subsidy as the Board of Directors of the Corporation might deem appropriate for the purpose of start-up and development costs. Such subsidy should be paid from the free funds available to the Corporation.

Funding for courses offered on a brokerage basis by Outreach Algoma would still be tied to the basic income unit (B.I.U.) formula. A percentage of the B.I.U. per student would go to the school offering the course through Outreach Algoma. This would be an incentive to the

offering school to export courses to Sault Ste. Marie. The funding for the administrative costs of Outreach Algoma in distributing these courses would come from the balance of the B.I.U. per student.

Insofar as cultural and recreational activities are concerned, Outreach Algoma should seek such sources of funds as might be available to it from the Ministry of Colleges and Universities, the Canada Council, the Ontario Council for the Arts, National Research Council, foundations, government agencies and Wintario.

#### CHAPTER XIV - CONCLUSION: A GLIMPSE INTO THE FUTURE

The role and the structure of the reorganized Corporation have been sketched in broad terms. Were it not for the urgent need to release this report at the earliest possible time, the proposal would have been developed in greater detail.

If the recommendations contained in this report are adopted, the Commission can foresee the rational organization of educational facilities in the Algoma district and northeastern Michigan to better serve residents in these areas to meet the crisis of the eighties.

Algoma University College has served a useful purpose within the community. It now must be transformed to build realistically for the future, adopting a wider and more significant role.

It is urged that the most careful consideration be given to the proposal, since it involves an opportunity for true international cooperation at the university level.

The Commission hopes that its inclusion of northeastern Michigan in the proposals will not be considered presumptuous. But the tradition of friendly cooperation that has been established between the residents on both sides of the international border at Sault Ste. Marie persuades the Commission that they will take up this challenge and opportunity with enthusiasm.

The Commission deeply regrets the decision to terminate the undergraduate programme at Algoma University College, especially as it affects its staff and others who, during the past year, have all made a valiant effort to rescue the college from its Trilemma. The Commission feels, however, that it has no alternative.

The proposal may be viewed as a pilot study: can the residents of a region having common problems and objectives, similar economic, cultural and social concerns, seize the opportunity to cross institutional, and in this case international, boundaries and together build an educational system that will maximize their resources and enhance their quality of life? A successful Sault Region Education Planning Council may provide a model for application elsewhere in the future.

Regardless of future application, the new role of the Corporation is one of great importance and of true necessity now for the development of the full potential of the Sault region.

Dated at Windsor, Ontario, this 15th day of November, 1977.

All of which is respectfully submitted.

A handwritten signature in dark ink, appearing to read "John L. White". The signature is written in a cursive style with a horizontal line underneath the name.

Commissioner

REPORT TO THE ROYAL COMMISSION  
ALGOMA UNIVERSITY COLLEGE INQUIRY  
FINANCIAL PROJECTIONS FOR  
FIFTEEN YEARS TO 1991 – 92  
PREPARED OCTOBER 1977

A REPORT FROM

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*Clarkson, Gordon & Co.*  
Woods, Gordon & Co.



*Clarkson, Gordon & Co.*  
*Chartered Accountants*

Royal Trust Tower  
P.O. Box 251, Toronto-Dominion Centre  
Toronto, Canada, M5K 1J7

St. John's Halifax Saint John Quebec Montreal  
Ottawa Toronto Hamilton Kitchener London  
Windsor Thunder Bay Winnipeg Regina Calgary  
Edmonton Vancouver Victoria

Arthur Young, Clarkson, Gordon & Co.  
United States—Brazil

Telephone 864-1234 (Area Code 416)

October 13, 1977

Mr. John W. Whiteside, Q.C.  
Commissioner  
Inquiry Into Algoma  
University College  
Faculty of Law  
University of Windsor  
Windsor, Ontario

Dear Mr. Whiteside:

As requested, we present in this report our projections of enrolment at Algoma University College (AUC) from 1977 to 1992 and our projections of operating results based on these enrolments.

Our analysis indicates that AUC will experience average annual operating deficits of \$483,000 for the next fifteen years and will require equivalent annual financing additional to that presently available in order to continue operations beyond April 30, 1979.

Our report is set out under the following chapter headings:

- I SUMMARY OF FINDINGS AND CONCLUSIONS
- II ENROLMENT PROJECTIONS
- III REVENUE PROJECTIONS
- IV ACADEMIC SALARY PROJECTIONS
- V BREAK EVEN ENROLMENT

We should be pleased to meet with you or others to discuss this report.

Yours faithfully,

*Clarkson, Gordon & Co.*

H.F.C. Graham  
G.S. Hamilton  
M.W. Horsley

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ALGOMA UNIVERSITY COLLEGE INQUIRY

FINANCIAL PROJECTIONS  
FOR  
15 YEARS TO 1991-1992

I. SUMMARY OF FINDINGS AND CONCLUSIONS

1. INTRODUCTION AND TERMS OF REFERENCE

In this Chapter, we summarize the results of our work on preparing the financial projections for Algoma University College (AUC). We have carried out this study in accordance with the terms of reference which are quoted below.

"To prepare a projection, based upon data assembled in the course of the investigation conducted in 1976 on behalf of the Algoma University College Commission of Inquiry, indicating the relationship between the financial performance of the College and its levels of student enrolment, full-time and part-time, in order to demonstrate the direct impact of enrolment upon academic staffing.

The projection should extend over a 15 year period, from 1977 to 1992. It should assume no change in the current Provincial funding formula and no increases in current faculty salaries, other than amounts directly attributable to the factor of inflation. The capital requirements of the College for the renovation, construction or replacement of buildings and equipment should not be taken into account.

The purpose of the projection is to demonstrate in simple terms, those levels of enrolment during the fiscal periods under consideration, which will result in operating surpluses or deficits, thus providing signposts for academic and financial planning generally and, in particular, for establishing appropriate staff levels to assure financial solvency."

In order to present fairly all of the factors affecting the operations and financial position of AUC, it has been necessary to

exceed in some areas these terms of reference. For example, we re-examined the basis for estimating enrolment projections in the light of more current information and the extended time frame (i.e. 15 years) of the projections. Also, because salary costs are such a major part of total expenditures, we have taken into account expected retirements, leaves of absence and salary cost increases arising from merit awards. In the supporting chapters of this report, we set out in some detail the assumptions made to support our estimates of revenue, expenditures and additional funding requirements.

We have taken the opportunity to review the enrolment projections and a number of our assumptions with senior members of the AUC's administration in Sault Ste. Marie. Also, we have reviewed these projections with Dean Howell.

## 2. EXPLANATION OF SCHEDULES

In this summary chapter, we have included six exhibits which can be described briefly as follows. The Projected Balance Sheet positions and the Estimated Revenues and Expenditures for each of the 15 academic years 1977 to 1992 are set out on Exhibits I and II. Exhibit III shows graphically the estimated annual deficits. Exhibit IV has been prepared to show graphically the additional enrolment or BIU's required in order for AUC to operate without a deficit or in what could be called a 'break even' position. Exhibits V and VI indicate the effects on the annual deficit of a 10% increase or 10% decrease respectively in estimated annual enrolments (i.e. annual revenues).

In the remaining chapters of this report, we have detailed our assumptions, and the information and research supporting our projections.

### 3. REVIEW OF FORECASTED FINANCIAL RESULTS AND FUNDING REQUIREMENTS

---

We forecast that AUC will experience significant annual deficits in each of the fifteen years included in our projections. We estimate an operating deficit of about \$174,000 for the current academic year 1977-78. This deficit is \$49,000 greater than the latest deficit of \$125,000 forecasted by AUC, and this difference is explained on Exhibit II. The projected annual loss or deficit then rises in each of the 15 years' forecast period to \$716,000 in 1991-92. Over the fifteen years period, the average annual operating loss is \$483,000. These deficit positions are shown on Exhibit III.

This means that the College over the fifteen years' period will require additional funding over and above revenue received from normal sources such as BIU funding, student fees and Northern grants. For purposes of preparing the financial projections, the funding requirements in excess of normal revenues are assumed to be as follows:

Borrowings from the Royal Bank which will reach the limit of the existing line of credit in 1978-79		\$400,000
Use of Sanders Endowment Fund to finance operating deficits		
- Portion used in 1978-79	\$104,000	
- Portion used in 1979-80	<u>396,000</u>	500,000
Other funding requirements beginning in 1979-80 through to 1991-92		<u>6,861,000</u>
Total		<u><u>\$7,761,000</u></u>

It is important for the Commission and the Trustees to appreciate that we have assumed that the AUC could both:

- a) Draw down the full line of credit from the Royal Bank, and
- b) spend the full amount of the Sanders Endowment Fund to finance future operating deficits.

In our opinion, it may not be possible to contemplate such a favourable position in terms of seeing the College through the next 2 1/2 years.

The Royal Bank's line of credit may not be available should AUC's financial condition deteriorate as projected. More importantly, the Endowment Funds from the Sanders bequest may not be available to finance operations after the Royal Bank loan is drawn down to the full line of credit of \$400,000. The Board of Trustees of AUC has formally resolved that "the Board of Trustees hereby undertake(s) to utilize monies now comprising or hereafter acquired in a fund known as the Sanders Endowment Fund as a permanent reduction of advances made pursuant to the said (Royal Bank) debenture loan, should the operations of the College deteriorate significantly from that outlined in the College budget projections".\* Our forecasts indicate that the operations of the College will deteriorate significantly from the initial budget projections referred to above.

Therefore, AUC could well begin to experience financing problems for the 1978-79 academic year. By that time, the projections indicate that funding requirements will exceed the line of credit of \$400,000 provided by the Royal Bank. Assuming that the Trustees and

---

\* Resolution of the Board of Trustees, February 22, 1977..

administration soon begin to plan for the 1978-79 academic year, they may well be making commitments for which financing or cash flow has not been arranged. To this extent then, there is considerable urgency to the financial position of the University. In our opinion, the critical nature of the operating deficit and shortfall in funds must be viewed as an immediate crisis and not as longer term problem that can be dealt with some time in the future.

Exhibit IV illustrates in graphical form the projected full-time and part-time enrolments and shows the additional enrolment (in BIU's) that would be needed to eliminate the additional financing requirements. We estimate AUC would require 235.3 BIU's in 1978/79, in addition to the 502.2 BIU's which we believe to be a reasonable expectation. This subject is dealt with in more detail in Chapter V.

In addition, we have made calculations which demonstrate that a 10% increase or decrease in the number of BIU's does not affect significantly AUC's critical financial position and enormous funding requirement over the forecast period. The results of these calculations are shown in Exhibits V and VI.

#### 4. MAJOR ASSUMPTIONS

In projecting enrolment, Chapter II, we have used Ontario Government estimates of Algoma District's future 18-24 year age groups, the historical university attendance rate for these groups, and AUC's historical share of this market. Because the absolute number of members of this age group is presently near its peak and will begin to decrease around 1980, we forecast a fairly significant reduction in enrolment over the mid to long-term.

For 1977/78, we forecast 213 full-time students and, including part-time students, a total of 488.9 Basic Income Units (BIU's). We understand that actual registration figures show 200 full-time students enroled and approximately 480 total BIU's.

In projecting income and expenses (Chapters III and IV), we have ignored the effects of inflation. Instead, we have assumed that increases in the value of the BIU, fees and other grants will take care of any increases in expenses. Our revenue projections assume there will be no basic changes in source of income. Our expense projections assume no significant increases above 1977/78 budgeted amounts for any costs except academic salaries. In this case, salary costs are assumed to increase at a rate of approximately \$20,000 per year due to AUC's present policy of awarding faculty staff members merit/experience increases each year.

Forecasts of other expenses are based on a revised 1977/78 budget in which certain cuts of non-essential expenses have been made. It is possible that further short-term cuts in non-salary operating expenses could be made but such cuts could inevitably cause difficulties for the institution.

##### 5. DISCUSSION OF ALTERNATE COURSES OF ACTION

Based on our forecasts and predictions, AUC is faced almost immediately with considerable financial and operating difficulties. In broad general terms, there are three alternatives to consider:

- a) The institution is able to take the necessary steps to increase enrolments and reduce expenditures so as to reduce significantly or to eliminate operating deficits. Presumably any major improvement could be achieved only through a combination of several changes and re-direction of resources.
- b) The Ontario Government, either by itself or in co-operation with other governmental or corporate bodies, elects to provide the additional funding necessary to meet the deficits.
- c) The institution is closed within the next one to two years.

We fully appreciate that our terms of reference do not require us to suggest courses of action which might reduce the critical financial situation.

We understand that some steps have been taken recently by the Trustees. For example, the establishment of a faculty committee to examine redundancy and the establishment of Operation Outreach should both contribute towards an improved picture.

Some avenues of change that could contribute towards reducing the predicted deficit positions are set below. We doubt, however, they would have significant effect because efforts have been made already in most of these directions by the faculty.

- a) Our enrolment projections assume that historic participation rates will continue to hold. That is, we have assumed that AUC will continue to attract as full-time students only about one quarter of the Sault Ste. Marie college entrants, that AUC will not attract entrants from other areas and that some AUC entrants will attend other institutions during their second and third years. It may well be that more active promotion at the secondary school level could produce some additional full-time enrolment.
- b) More efforts could be directed at defining the market for and community interest in part-time university programs. For example, the heavy industrial and engineering orientation within Sault Ste. Marie suggests to us that a strong demand could exist for continuing education in business administration. We understand that considerable efforts have been made in the past to mount such a program in co-operation with universities in Southern Ontario. In our opinion, this could be a potential market for adding students to part-time enrolment.

- c) With a declining and now very limited enrolment in the summer session, it may be preferable to drop this session where marginal costs could exceed revenues. We have not analyzed the contribution but only suggest that a study could be made by AUC.
- d) We made reference to opportunities to increase the student/staff ratio in our report to the Commission of June, 1976. At that time, we commented on the possibilities to:
  - (i) Reduce the number of course offerings and cut back on staff accordingly (this assumes that only low enrolment courses would be terminated).
  - (ii) Increase the standard faculty workload so that the numbers of sessional (and perhaps full-time staff) required could be reduced.

Obviously, there are a number of dangers to a small university if major cut-backs are made in courses offered.

- e) Under current salary administration policies, the faculty is given annual merit increases. The approximate cost to AUC is \$20,000 which compounds yearly assuming that this practice continues. This is a potential area for significant savings over the longer-term if either this practice is discontinued or merit increases are awarded only on a very selective basis.
- f) Consideration may have to be given to cutting back to either a two year or one year program for full-time students. (A full analysis would be necessary before such a decision could be taken.)
- g) In our opinion, there do not appear to be opportunities to reduce significantly either administrative or plant costs. One alternative to consider would be to share facilities with Sault College. Again, we appreciate that there are numerous difficulties with such an arrangement.

	Audited as at April 30, 1977	Estimated														
		1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
ASSETS - GENERAL FUNDS																
Current Assets:	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Receivables - Fees	26	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Receivables - Other	14	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Inventories of Books and Supplies	18	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Prepaid Expenses	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from Restricted Funds																
Total Current Assets	70	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37
Property, Plant and Equipment	1,983	2,003	2,023	2,043	2,063	2,083	2,103	2,123	2,143	2,163	2,183	2,203	2,223	2,243	2,263	2,283
TOTAL ASSETS - GENERAL FUNDS	\$2,053	\$2,040	\$2,060	\$2,080	\$2,100	\$2,120	\$2,140	\$2,160	\$2,180	\$2,200	\$2,220	\$2,240	\$2,260	\$2,280	\$2,300	\$2,320
LIABILITIES - GENERAL FUNDS																
Current Liabilities:	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16
Cheques Outstanding	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Accounts Payable and Accrued Liabilities	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Government Grants for Capital Projects	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60
Fees in Advance																
Total Current Liabilities	137	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126
Long-Term Liabilities:	20	191	400**	400	400	400	400	400	400	400	400	400	400	400	400	400
Debentures - Bank (New)	869	859	843	836	824	811	796	780	763	745	725	704	681	656	629	603
- Other (Existing)																
Capital Portion of Annual Instalment	9	10	11	12	12	13	15	16	17	18	20	21	23	25	27	29
Borrowing of Sanders Endowment Fund for Financing Purposes	-	-	104	500	500	500	500	500	500	500	500	500	500	500	500	500
Total Liabilities	1,035	1,186	1,489	1,874	1,862	1,850	1,837	1,822	1,805	1,789	1,771	1,751	1,730	1,707	1,682	1,655
FUNDING REQUIREMENTS NOT COVERED BY EXISTING FINANCING																
College Equity:	-	-	-	7	423	829	1,301	1,780	2,301	2,851	3,435	4,047	4,685	5,364	6,089	6,861
Accumulated Operating Deficit	(87)	(261)	(553)	(933)	(1,325)	(1,726)	(2,150)	(2,598)	(3,085)	(3,601)	(4,147)	(4,718)	(5,312)	(5,943)	(6,616)	(7,332)
Property, Plant and Equipment (excluding (*))	1,105	1,115	1,124	1,132	1,140	1,147	1,152	1,156	1,159	1,161	1,161	1,160	1,157	1,152	1,145	1,136
Total Equity	1,018	854	675	699	315	(79)	(498)	(942)	(1,426)	(1,940)	(2,486)	(3,058)	(3,655)	(4,291)	(4,071)	(3,860)
TOTAL LIABILITIES - GENERAL FUNDS	\$2,053	\$2,040	\$2,060	\$2,080	\$2,100	\$2,120	\$2,140	\$2,160	\$2,180	\$2,200	\$2,220	\$2,240	\$2,260	\$2,280	\$2,300	\$2,320
SANDERS ENDOWMENT FUND (net of amounts borrowed above)	\$ 150	\$ 500	\$ 396**	0												

\* Includes only those debentures existing as at April 30, 1977.

\*\* Sanders Endowment Fund may be required to re-open bank by 1978-79 year.

## PROJECTED OPERATING EXPENDITURES AND REVENUES - 1977-78 TO 1991-92

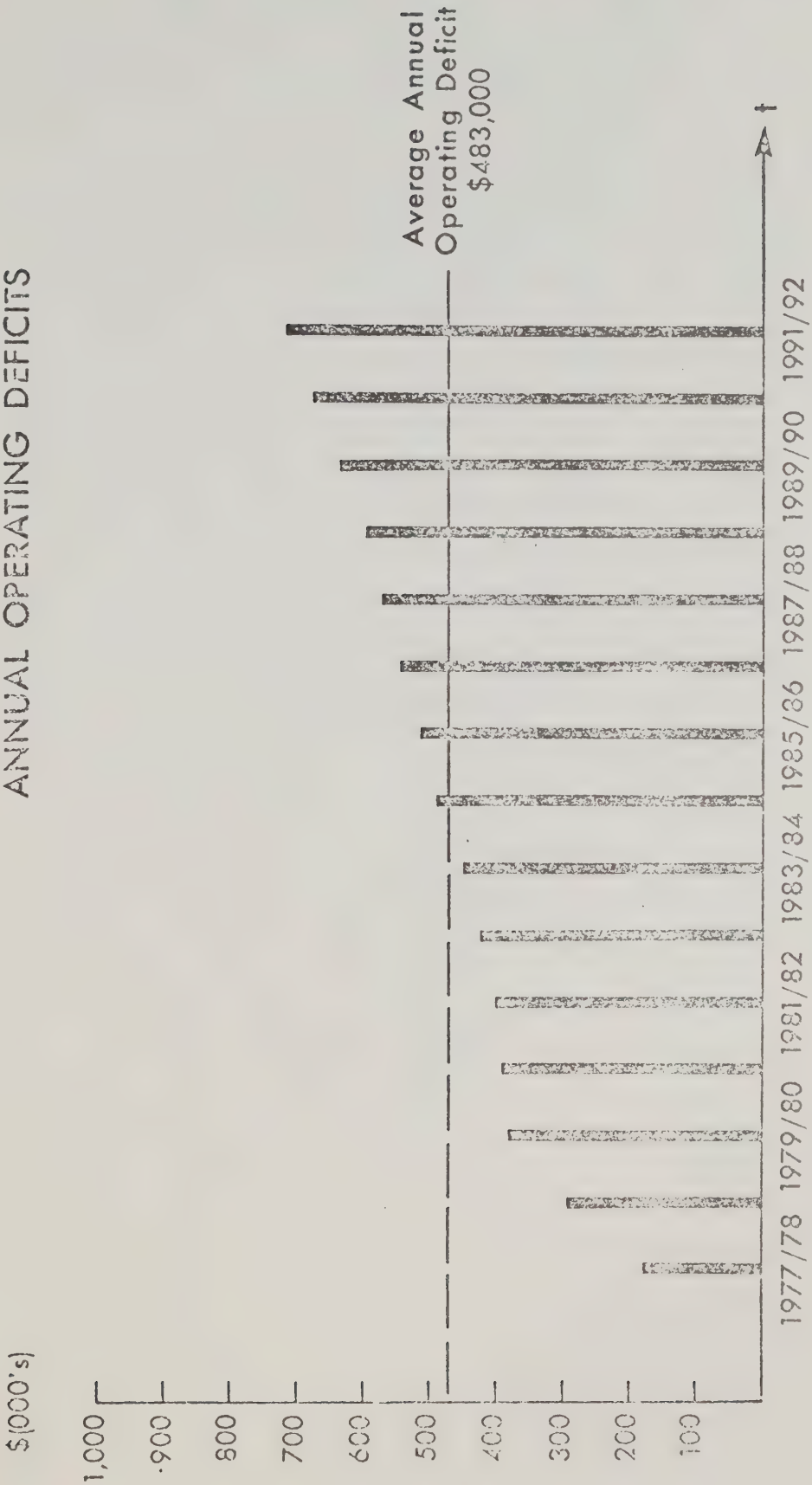
(in \$ '000's)

	Actual 1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Total Estimated Income	\$1,573	\$1,694	\$1,628	\$1,588	\$1,592	\$1,599	\$1,598	\$1,594	\$1,583	\$1,574	\$1,561	\$1,546	\$1,525	\$1,499	\$1,472	\$1,448
<b>Expenditure - Academic Departments</b>																
Social Sciences:																
Salaries and Social Benefits		279	308	322	325	328	334	339	346	351	355	355	350	350	353	358
Other Expenses		18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Arts and Humanities:	(Note)															
Salaries and Social Benefits		330	320	331	321	328	336	344	355	363	370	376	380	386	393	401
Other Expenses		22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Physical/Biological Sciences:																
Salaries and Social Benefits		289	303	314	335	342	351	359	370	378	386	392	396	403	410	418
Other Expenses		30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Academic Administration		8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
	991	976	1,009	1,045	1,059	1,076	1,099	1,120	1,149	1,170	1,189	1,201	1,204	1,217	1,234	1,255
Library		206	232	240	243	273	273	273	273	273	273	273	273	273	273	273
General and Administrative		254	254	254	254	254	254	254	254	254	254	254	254	254	254	254
Student Services	(Note 1)	34	34	34	34	36	36	36	36	36	36	36	36	36	36	36
Development and External Affairs		17	84	84	84	77	77	77	77	77	77	77	77	77	77	77
Plant Maintenance		166	186	186	186	186	186	186	186	186	186	186	186	186	186	186
Losses on Ancillary Services:																
Bookstore	1	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Nursery	9	14	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Conservatory	(1)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Debtore Interest	71	70	69	68	67	66	65	64	63	62	60	58	57	55	53	51
Mortgage and Bank Interest	1	10	28	37	37	37	37	37	37	37	37	37	37	37	37	37
Total Expenditures	1,715	1,868	1,920	1,968	1,984	2,000	2,022	2,042	2,070	2,090	2,107	2,117	2,119	2,130	2,145	2,164
Projected Loss on Operations	(142)	(174)	(292)	(380)	(392)	(401)	(424)	(448)	(487)	(516)	(546)	(571)	(594)	(631)	(673)	(716)
Equity (Deficit) Beginning of Year	55	(87)	(261)	(553)	(933)	(1,325)	(1,827)	(2,150)	(2,598)	(3,085)	(3,601)	(4,147)	(4,718)	(5,312)	(5,943)	(6,616)
Accumulated Deficit End of Year	\$ (87)	\$ (261)	\$ (553)	\$ (933)	\$ (1,325)	\$ (1,726)	\$ (2,150)	\$ (2,598)	\$ (3,085)	\$ (3,601)	\$ (4,147)	\$ (4,718)	\$ (5,312)	\$ (5,943)	\$ (6,616)	\$ (7,332)

Notes: (1) Expenses have been reclassified in the books of account for 1977-78 and it is not possible to draw comparisons except in totals only.

(2) AUC's September 1977 budget for 1977-78 indicated the projected loss will be \$125,000, or \$49,000 less than our estimate. This difference arises from AUC's inclusion in budgeted revenues of \$25,000 of interest on endowment funds and of \$35,000 (versus our \$25,000) of net profit on non-credit courses. Additionally AUC has budgeted Academic Administration at \$951,000 (versus our \$976,000) and has made no provision for bank interest (\$10,000). There are other minor differences netting to \$1,000.

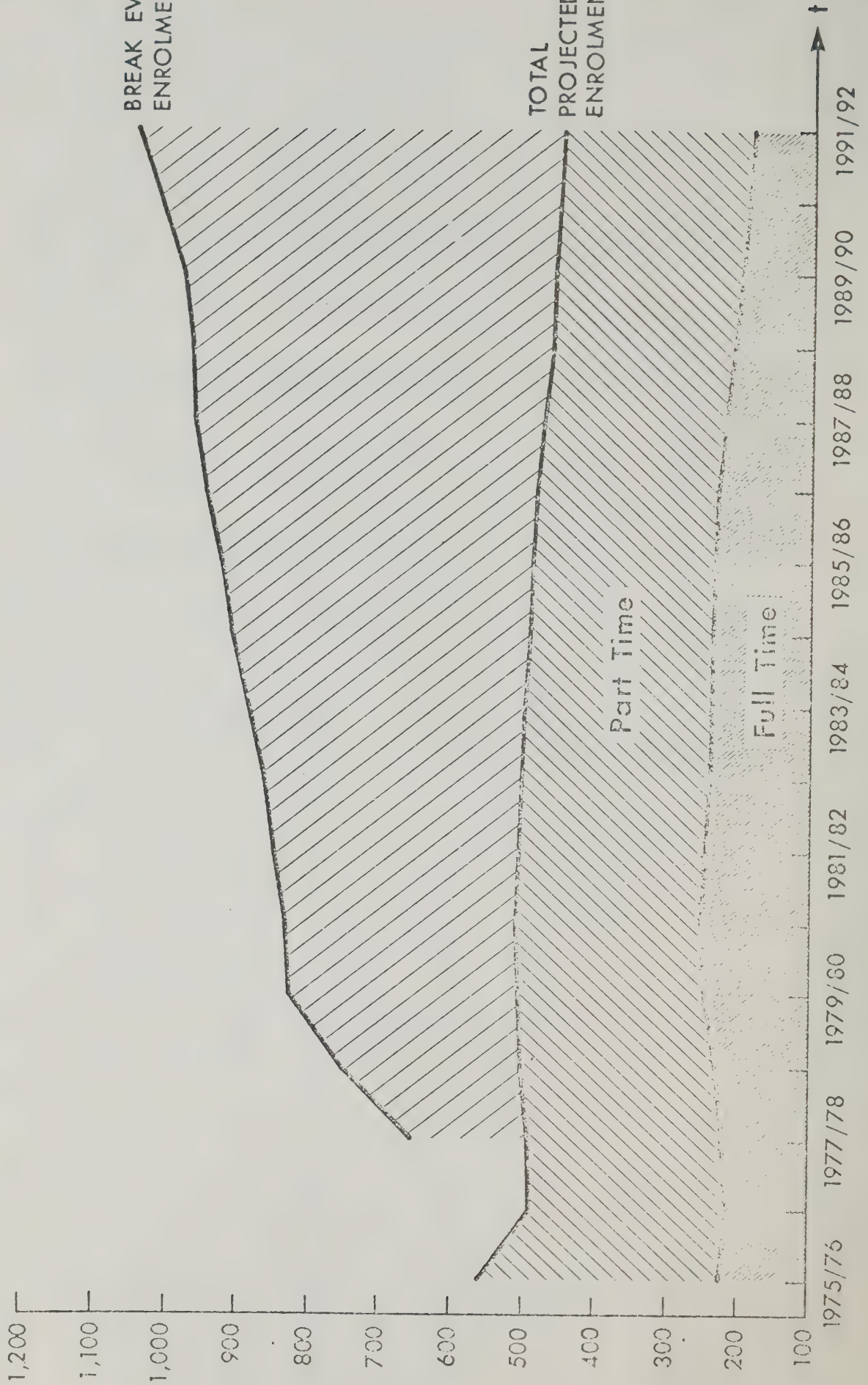
ALGOMA UNIVERSITY COLLEGE  
ANNUAL OPERATING DEFICITS



# PROJECTED ALGOMA ENROLMENT

Woods, Gordon & Co.

B.I.U.



ALGOMA UNIVERSITY COLLEGEDEFICITS WITH A 10% INCREASE IN PROJECTED B.I.U. LEVEL  
( \$ '000's )

<u>Academic Year</u>	<u>Basic B.I.U. Projections Plus 10%</u>	<u>Projected Loss on Operations</u>	<u>Accumulated Closing Equity (Deficit)</u>
1976-77*	488.9	\$ (142)	\$ (87)
1977-78	543.8	(138)	(225)
1978-79	552.4	(226)	(451)
1979-80	558.9	(278)	(729)
1980-81	558.7	(253)	(982)
1981-82	554.5	(257)	(1,239)
1982-83	552.5	(278)	(1,517)
1983-84	550.6	(304)	(1,821)
1984-85	544.6	(343)	(2,164)
1985-86	541.6	(373)	(2,537)
1986-87	537.7	(403)	(2,940)
1987-88	527.8	(431)	(3,371)
1988-89	513.9	(455)	(3,826)
1989-90	504.0	(495)	(4,321)
1990-91	498.1	(539)	(4,860)
1991-92	495.1	(584)	(5,444)

\* Actual

ALGOMA UNIVERSITY COLLEGEDEFICITS WITH A 10% DECREASE IN PROJECTED B.I.U. LEVEL  
(\$ '000's)

<u>Academic Year</u>	<u>Basic B.I.U. Projections Less 10%</u>	<u>Projected Loss on Operations</u>	<u>Accumulated Closing Equity (Deficit)</u>
1976-77*	488.9	\$ (142)	\$ (87)
1977-78	445.0	(209)	(296)
1978-79	452.0	(358)	(654)
1979-80	457.3	(484)	(1,138)
1980-81	457.1	(531)	(1,669)
1981-82	453.7	(546)	(2,215)
1982-83	452.1	(568)	(2,783)
1983-84	450.5	(593)	(3,376)
1984-85	445.6	(630)	(4,006)
1985-86	443.2	(659)	(4,665)
1986-87	439.9	(687)	(5,352)
1987-88	431.8	(712)	(6,064)
1988-89	420.5	(733)	(6,797)
1989-90	412.4	(766)	(7,563)
1990-91	407.5	(806)	(8,369)
1991-92	405.1	(846)	(9,215)

\* Actual

## II. ENROLMENT PROJECTIONS

### FULL-TIME

The following describes the methodology and assumptions used in developing full-time enrolment projections for Algoma University College.

1. Projections of the population of Algoma District were obtained from:

The Government of Ontario  
Social and Economic Unit  
Central Statistical Services

It was decided to use Algoma District population distributions in our projections as this area has historically accounted for 95% of AUC's enrolment.

2. From the information provided in (1), projections of the number of people in the 18-24 year age group were derived for Algoma District, for the years 1971 to 1996, inclusive. A graphical representation of the fluctuations in the size of this age group is presented in Exhibit VII. Note that from 1981 to 1988, there is a significant and rapid decline in the population of the 18-24 year age group which marks the end of the post-war baby boom. However, Exhibit VII shows an increase each year commencing in 1993. This is not unique to Algoma District but rather is nationwide and hence all Canadian universities could experience a significant decline in enrolment. Obviously, this situation will heighten competition for students throughout the Province by all post-secondary institutions.

3. Four alternative projections of full-time enrolment were made, labelled A,B,C and D. They enumerate various combinations of assumptions about AUC's market share and retention rates.

A is an optimistic projection based on maintaining AUC's historical market share of 23.5% of the Algoma District university applicants. This alternative also assumes retention rates of 70% from first to second year and 65% from second to third year.

B assumes a stable market share of 23.5% and retention rates of 65% and 55%.

C assumes that the market share will decline annually by 1/4% of 1% p.a., and retention rates of 70% and 60%.

D is a pessimistic projection based on a declining market share of 1/4 of 1% p.a. and retention rates of 60% and 50%.

All alternatives derive their estimates of first year enrolment by applying AUC's market share to the estimated total of full-time students from Algoma District entering Ontario universities. This estimated total was calculated by applying the historical university entrance rate to projected 18-24 year age groups in Algoma District.

Estimates of second and third year enrolments are calculated by applying the given retention rates to the relevant prior year's enrolment. The actual retention rates in recent years have shown great variability from year to year.

4. As a basis for projecting revenues and expenses, it was decided to use an average of the two middle-of-the-road alternatives (B & C). This number was converted to an equivalent "course-enrolment" as shown in Exhibit X by multiplying the student enrolment by a factor of 4.5 courses per student:

Projected enrolment under each alternative are shown in Exhibit VIII. The average of alternatives B & C is shown in Exhibit IX. Note that a 10% variation (i.e. + or -) in this average projection covers all alternative projections considered.

#### PART-TIME

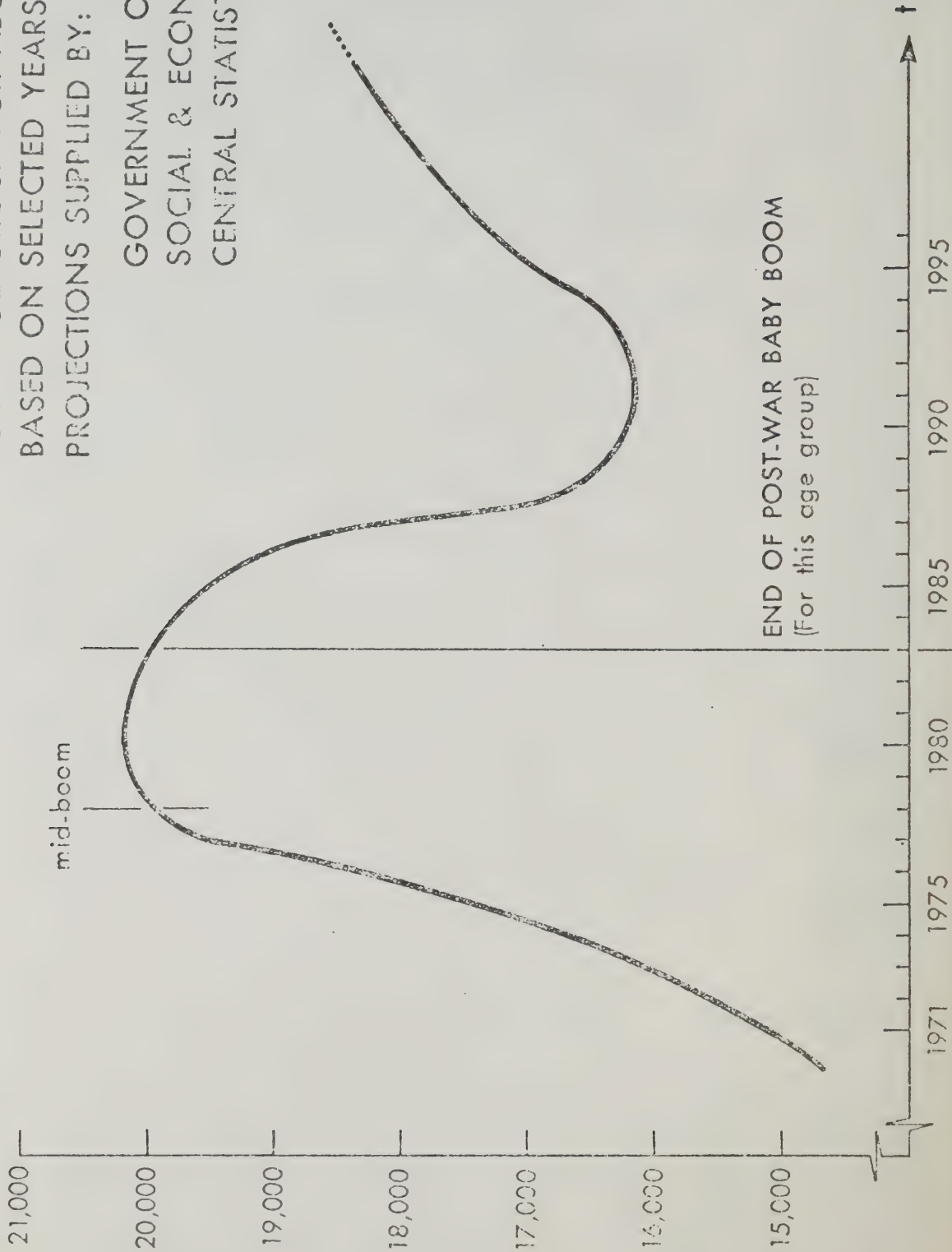
Part-time enrolments are set out on Exhibit X. The estimates used for each of Intersession, Summer and Fall/Winter were discussed with the Registrar and Dean Ewing at AUC. Essentially, they predict stable enrolment through to 1992 except for a drop in summer enrolment. In fact, there has been some discussion about dropping summer courses entirely due to a continuing decline in demand.

#### TOTAL

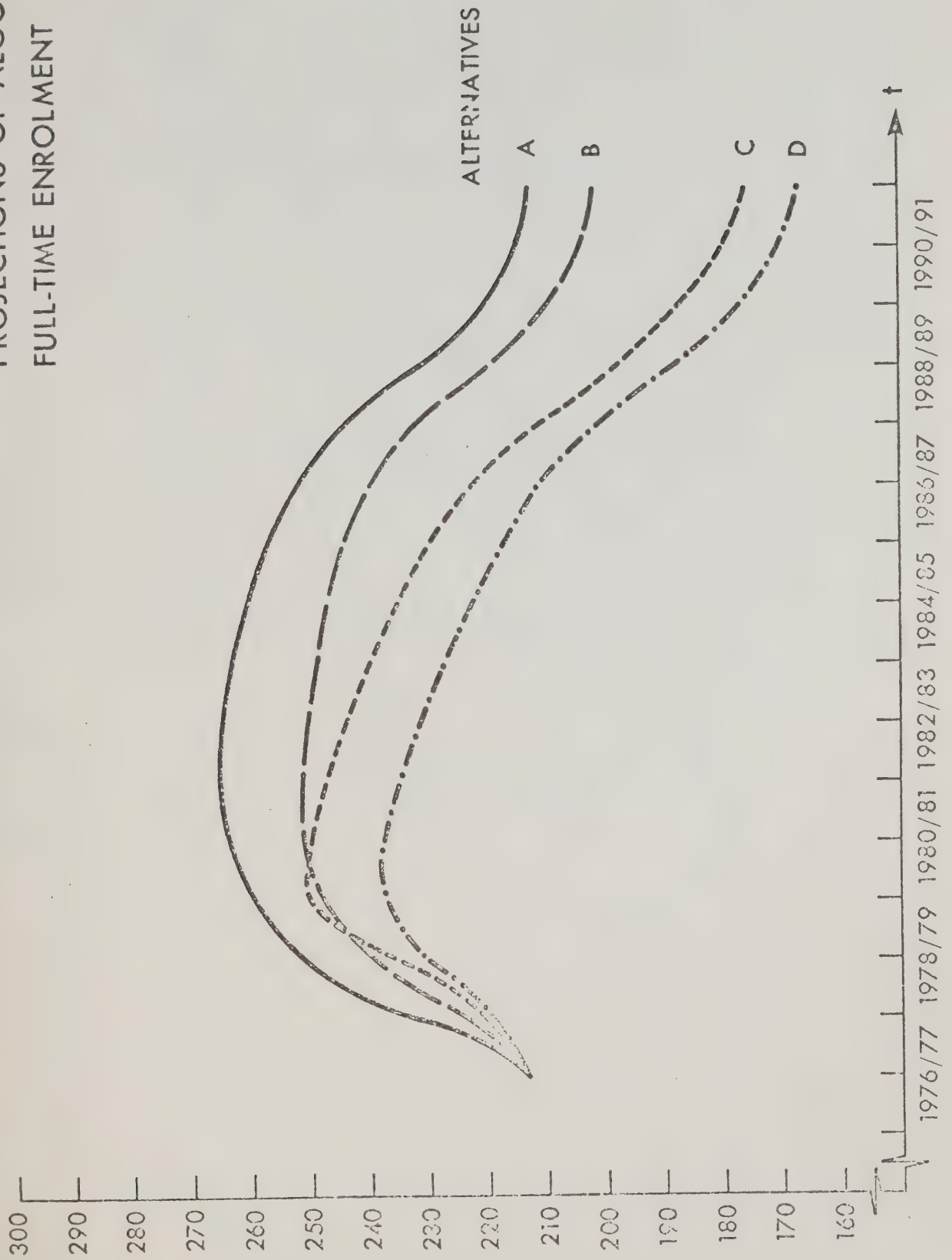
The projections for total enrolment shown on Exhibit X were derived by adding the estimated annual course enrolments for full-time and part-time together and dividing by 5 to arrive at a B.I.U. figure to be used in determining grants.

PROJECTIONS OF THE POPULATION OF THE  
18-24 AGE GROUP FOR ALGOMA DISTRICT  
BASED ON SELECTED YEARS FROM  
PROJECTIONS SUPPLIED BY:

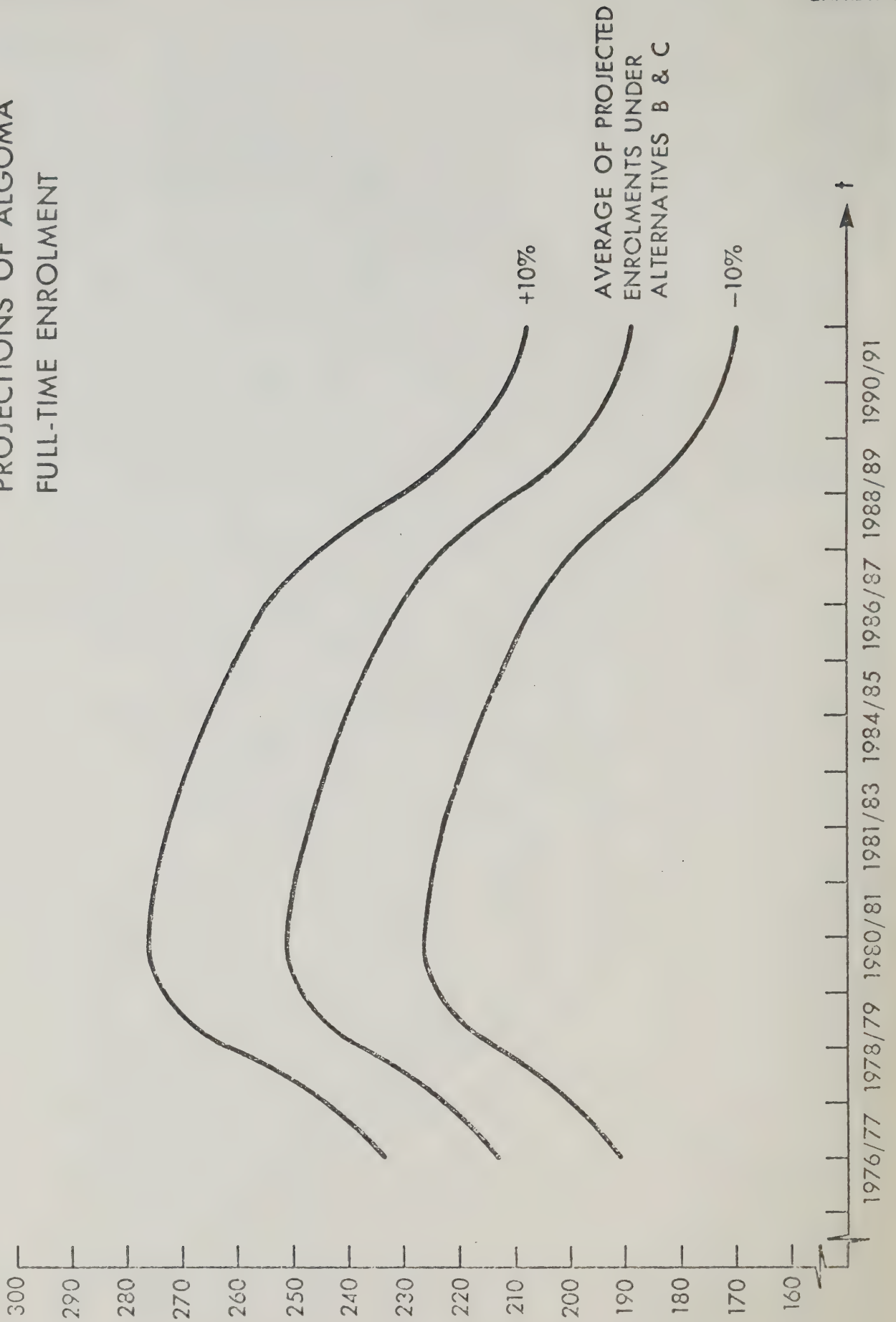
GOVERNMENT OF ONTARIO  
SOCIAL & ECONOMIC UNIT  
CENTRAL STATISTICAL SERVICES



PROJECTIONS OF ALGOMA  
FULL-TIME ENROLMENT



PROJECTIONS OF ALGOMA  
FULL-TIME ENROLMENT



ALGOMA UNIVERSITY COLLEGE

ENROLMENT PROJECTIONS

SCHEDULE: PROJECTIONS OF TOTAL FTE-ENROLMENT

	Full-Time				Part-Time				Total Course Enrolment	B.I.U.'s	
	Alt. B		Alt. C		Interession Courses	Summer Courses	Fall/Winer Courses	Subtotal			
	Total	Total	Avg.	Course(1) Equivalents							
1975/76*	223	223	223	-	468.5	401	802.5	=	1,672	-	557.4
1976/77*	213	213	213	-	435.5	295	804	=	1,534.5	-	488.9
1977/78	224	220	222	=	443	225	800	=	1,473	2,472	494.4
1978/79	239	236	238	=	450	190	800	=	1,440	2,511	502.2
1979/80	248	250	249	=	450	170	800	=	1,420	2,540.5	508.1
1980/81	251	250	251	=	450	160	800	=	1,410	2,539.5	507.9
1981/82	251	247	249	=	450	150	800	=	1,400	2,520.5	504.1
1982/83	250	243	247	=	450	150	800	=	1,400	2,511.5	502.3
1983/84	249	240	245	=	450	150	800	=	1,400	2,502.5	500.5
1984/85	247	235	239	=	450	150	800	=	1,400	2,475.5	495.1
1985/86	244	229	236	=	450	150	800	=	1,400	2,462	492.4
1986/87	239	222	232	=	450	150	800	=	1,400	2,444	488.8
1987/88	232	211	222	=	450	150	800	=	1,400	2,399	479.8
1988/89	219	198	208	=	450	150	800	=	1,400	2,336	467.2
1989/90	209	187	198	=	450	150	800	=	1,400	2,291	458.2
1990/91	204	180	192	=	450	150	800	=	1,400	2,264	452.8
1991/92	202	176	189	=	450	150	800	=	1,400	2,250.5	450.1

\* Actual

(1) Full-time course equivalents are estimated to be 4.5 times the expected full-time headcount enrolments.

ALCOMA UNIVERSITY COLLEGE

PROJECTED REVENUES - 1977-78 TO 1991-92  
(dollar figures expressed in thousands)

	Actual 1976-77	Projected														
		1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
(1) Full-Time Enrollment	213	222	238	249	251	249	247	245	239	236	232	222	208	198	192	189
(2) Full-Time Course Equivalent ((1) x 4.5)	-	999	1,071	1,120.5	1,129.5	1,170.5	1,111.5	1,102.5	1,075.5	1,062	1,044	999	936	891	864	850.5
(3) Part-Time Enrollment: Intercession	435.5	448	450	450	450	450	450	450	450	450	450	450	450	450	450	450
(4) Summer	295	225	190	170	160	150	150	150	150	150	150	150	150	150	150	150
(5) Fall/Winter	804	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800
(6) Total Part-Time Courses	1,534.5	1,473	1,440	1,420	1,410	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
(7) Total Course Enrollment = (2) + (6)	-	2,472	2,511	2,540.5	2,539.5	2,520.5	2,511.5	2,502.5	2,475.5	2,462	2,444	2,399	2,336	2,291	2,264	2,250.5
(8) B.I.U.'s = (7) ÷ 5	488.9	494.4	502.2	508.1	507.9	504.1	502.3	500.5	495.1	492.4	488.8	479.8	467.2	458.2	452.8	450.1
(9) Student Fees = (8) x 725	\$ 311	\$ 358	\$ 364	\$ 368	\$ 368	\$ 366	\$ 364	\$ 363	\$ 359	\$ 357	\$ 354	\$ 348	\$ 339	\$ 332	\$ 328	\$ 326
Formula Grant (using past 3 years' average)	1,317	1,381	1,297	1,250	1,267	1,278	1,279	1,275	1,268	1,261	1,252	1,243	1,230	1,208	1,183	1,160
Less Formula Fees	333	375	352	339	344	347	347	346	344	342	340	337	334	328	321	315
Formula Grant Received	984	1,006	945	911	923	931	932	929	924	919	912	906	896	880	862	845
Balance of Distribution of Funds	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debtenture Interest Forgiven	71	70	69	68	67	66	65	64	63	62	60	58	57	55	53	51
Northern Ontario Grant	150	158	166	157	150	152	153	154	153	152	151	150	149	148	145	142
Grant in Lieu of Taxes	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Off-Campus Supplement	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
City Grant	0	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Repair & Maintenance Capital Grant	11	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit on Non-Credit Courses and French Instruction	18	25	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Coffee Shop Profit	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Miscellaneous Income	6	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Interest Income	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Estimated Income	\$1,573	\$1,694	\$1,628	\$1,588	\$1,592	\$1,599	\$1,598	\$1,594	\$1,583	\$1,574	\$1,561	\$1,546	\$1,525	\$1,499	\$1,472	\$1,449

ALCOWA UNIVERSITY COLLEGE  
ACADEMIC SALARY PROJECTIONS BY DIVISION (1977/78 to 1983/84)

EXHIBIT XII

Year Division	1977/78		1978/79		1979/80		1980/81		1981/82		1982/83		1983/84	
	*AH	*SS	*AH	*SS	*AH	*SS	*AH	*SS	*AH	*SS	*AH	*SS	*AH	*SS
(1) Initial Total Base Salary by Division	\$303,834	\$206,565	\$251,680	\$303,834	\$206,565	\$251,680	\$286,479	\$212,940	\$259,780	\$295,029	\$219,890	\$267,960	\$270,174	\$226,790
(2) Deletions	-	-	-	(25,755)	(15,135)	(5,000)	0	0	0	(32,955)	0	0	0	0
(3) Additions	-	-	-	0	19,860	0	0	0	0	0	0	0	0	0
(4) Cost of Promotions (Estimate)	-	-	-	-	500	600	500	900	600	700	700	700	700	700
(5) Increments (a) Associate @ \$500	-	-	-	4,000	1,600	2,400	4,800	1,600	2,400	4,800	2,400	4,000	6,400	3,200
(b) Assistant @ \$650	-	-	-	3,900	3,250	3,900	5,200	3,900	5,200	2,600	4,550	3,900	1,300	3,250
(c) Lecturer @ \$550	-	-	-	0	1,100	550	0	550	0	0	0	0	0	0
(d) Total	-	-	-	7,900	5,950	7,500	8,050	6,050	7,600	7,400	6,200	7,700	7,700	8,050
(6) Subtotal	\$303,834	\$206,565	\$251,680	\$286,479	\$212,940	\$259,780	\$295,029	\$219,890	\$267,980	\$270,174	\$226,790	\$276,430	\$278,424	\$233,790
(7) Number of Faculty Per Division	12	10	11	11	9	11	11	9	11	10	9	11	10	9
(8) Average Salary	-	-	-	\$26,044	\$23,660	\$23,616	\$26,821	\$24,432	\$24,362	\$27,017	\$25,199	\$25,130	\$27,842	\$25,977
(9) Statistical Credit = 30% of (8)	-	-	-	\$(14,918)	\$(9,067)	\$(20,933)	\$(7,813)	\$(7,098)	\$(7,085)	\$(8,046)	\$(7,330)	\$(7,309)	\$(8,105)	\$(7,560)
(10) Seasonal Replacements for Sabbaticals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(11) Total Faculty (FTE's) - All Divisions	33	33	31	31	31	31	30	30	30	30	30	30	30	30
(12) Total Enrolment (FTE's)	494.4	502.2	502.2	508.1	508.1	508.1	507.9	507.9	504.1	504.1	502.3	502.3	500.5	500.5
(13) Expected Student/Staff Ratio	15.0	16.2	16.2	16.4	16.4	16.4	16.9	16.9	16.8	16.8	16.7	16.7	16.7	16.7
(14) Desired Student/Staff Ratio	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2
(15) Number of Faculty Required (FTE's)	36.2	35.4	35.4	35.8	35.8	35.8	35.8	35.8	35.5	35.5	35.4	35.4	35.2	35.2
(16) Additional Faculty Required to be Made up by Sessionals	3.2	4.4	4.4	4.8	4.8	4.8	5.8	5.8	5.5	5.5	5.4	5.4	5.2	5.2
(17) Expenditure on Sessionals	\$72,690	\$101,609	\$101,609	\$110,846	\$110,846	\$110,846	\$133,939	\$133,939	\$127,012	\$127,012	\$124,702	\$124,702	\$120,084	\$120,084
(18) Allocation of Sessionals' Expense	\$2,049	\$3,162	\$17,479	\$10,161	\$71,126	\$20,322	\$11,085	\$77,592	\$22,169	\$26,788	\$73,666	\$33,485	\$25,402	\$69,857
(19) Subtotal	302,945	256,665	266,226	294,827	282,968	279,017	304,068	296,152	288,860	294,857	298,896	308,376	301,473	301,854
(20) Benefits at 8.7%	26,655	22,315	23,154	25,650	24,618	24,274	26,454	25,765	25,129	25,653	26,004	26,829	26,228	26,261
(21) Total Salaries and Benefits (All Divisions)	\$299,600	\$278,980	\$289,380	\$320,477	\$307,586	\$303,291	\$330,522	\$321,917	\$313,969	\$320,510	\$324,900	\$335,205	\$327,701	\$328,115
(22) Subtotal	\$897,960	\$931,354	\$931,354	\$966,408	\$966,408	\$966,408	\$980,615	\$980,615	\$998,231	\$998,231	\$1,021,343	\$1,021,343	\$1,042,419	\$1,042,419

AH -  
SS -  
PBS -

### III. REVENUE PROJECTIONS

Projected revenues were calculated, as shown in Exhibit XI by taking the projected full and part-time student enrolment figures, converting these figures to course equivalents, and then dividing the course equivalents figure by five to arrive at AUC's Basic Income Units (BIU's).

The Ontario Governments BIU formula grant was calculated by multiplying the average of the prior three years' BIU's by \$1,840 (the gross 1977-78 formula grant of \$2,525 per BIU less formula fees of \$685). The government's Northern Ontario grant was calculated at 12% of the prior year's gross formula grant.

Student fee revenue was calculated by multiplying the number of BIU's by \$725, the total student fees for five courses.

#### IV. ACADEMIC SALARY PROJECTIONS

Exhibits XII and XIII show projections of full-time academic salaries, by division, and sessional requirements based on the assumption of maintaining a constant staff workload. A stable student-staff ratio of 14.2 to 1 was used as the factor. It was derived from the average student-staff ratio over the past three academic years (13.5) which was then augmented to reflect the change in methodology for computing B.I.U.'s (i.e. courses rather than bodies). It was assumed that any additional staff that would be required to maintain the constant student-staff ratio would be made up by sessionals. The expenditure on sessionals required each year was determined by multiplying the full-time equivalent of the number of sessionals by the average full-time salary for 1977/78.

With regards to promotions, it was assumed that one full-time faculty member from each division would be promoted each year. The additional cost for these promotions was estimated to be in the vicinity of \$2,000, annually.

Under AUC's merit/experience policy each faculty member receives annually an automatic salary increment. These increments are presently \$550 for lecturers, \$650 for assistants and \$800 for associates. With thirty faculty members the total annual merit/experience increment is approximately \$20,000. Assuming that turnover is relatively low this means that in five years (i.e. for the 1982-83 academic year) total academic salaries will be \$100,000 greater than at present exclusive of any increases for inflation or cost of living. The additional salary cost for merit/experience increases has been factored into the projections.

Based on historical information academic employee benefits were taken to be 8.7% of salaries.

Detailed information regarding sabbaticals, retirements, substitutions and leaves was assembled with the help of Mr. Tim Holmes, in order that accurate projections of salary budget requirements could be made. Exhibit XII contains projections to the academic year 1983/84 taking into consideration all moves of faculty. Beyond that time, changes in faculty salary budgetary requirements are due to promotions and annual increments only. Exhibit XIII shows divisional salary projections and allocation of sessional expenditures for the years 1984/85 to 1991/92.

ALCOMA UNIVERSITY COLLEGE

ACADEMIC SALARY PROJECTIONS BY DIVISION (1984/85 to 1991/92)

Year	No. of Full-Time Faculty	Enrolment (FTE's)	Required Staff	Required Sessionals (FTE's)	Total Cost of Sessionals \$	Allocation of Sessionals Expenditure			Total Divisional Salaries and Benefits*		
						Arts	Social	Physical	Arts	Social	Physical
					\$	\$	\$	\$	\$	\$	\$
1984/85	30	495.1	34.9	4.9	113,156	22,631	62,236	28,289	354,628	345,586	369,601
1985/86	30	492.4	34.7	4.7	108,537	21,707	59,695	27,134	362,581	350,922	378,183
1986/87	30	488.8	34.4	4.4	101,609	20,322	55,885	25,402	370,032	354,878	386,137
1987/88	30	479.8	33.8	3.8	87,753	17,551	48,264	21,938	375,977	354,655	392,223
1988/89	30	467.2	32.9	2.9	66,970	13,394	36,834	16,743	380,415	350,292	396,430
1989/90	30	458.2	32.3	2.3	53,114	10,623	29,213	13,279	386,360	350,069	402,517
1990/91	30	452.8	31.9	1.9	43,877	8,775	24,132	10,969	393,308	352,608	409,859
1991/92	30	450.1	31.7	1.7	39,258	7,852	21,592	9,815	401,262	357,908	418,457

\* Includes full-time and sessionals.

V. BREAK EVEN ENROLMENT

Exhibit XIV shows the percentage increase in projected enrolment required each year from 1977/78 to 1991/92 for AUC to break even. These figures were calculated using the following methodology and assumptions:

1. Additional revenues per full-time equivalent student were calculated as shown in Exhibit XV. The additional revenues include student fees and Ontario government BIU and Northern Ontario Grants.
2. The only additional costs considered were teaching costs. The calculation in Exhibit XV assumes teaching staff would be paid the 1977/78 average full-time salary and that the staff-student ratio would remain at 14.2. It was assumed that there would be no increase in any of the non-direct costs such as maintenance, library, and administration.
3. The additional required enrolment on Exhibit XIV was calculated by dividing the projected deficit by the net additional funds per full-time equivalent student calculated in Exhibit XV.

REQUIRED ADDITIONAL ENROLMENT

<u>Year</u>	<u>Projected Operating Loss</u>	<u>Projected Enrolment*</u>	<u>Required Additional Enrolment*</u>	<u>% Additional Enrolment</u>
1977/78	\$174,000	494.4	140.2	28%
1978/79	\$292,000	502.2	235.3	47%
1979/80	\$380,000	508.1	306.2	60%
1980/81	\$392,000	507.9	315.9	62%
1981/82	\$401,000	504.1	323.1	61%
1982/83	\$424,000	502.3	341.7	68%
1983/84	\$448,000	500.5	361.0	72%
1984/85	\$487,000	495.1	392.4	79%
1985/86	\$516,000	492.4	415.8	84%
1986/87	\$546,000	488.8	440.0	90%
1987/88	\$571,000	479.8	460.1	96%
1988/89	\$594,000	467.2	478.6	102%
1989/90	\$631,000	458.2	508.5	111%
1990/91	\$673,000	452.8	542.3	120%
1991/92	\$716,000	450.1	577.0	128%

\*Enrolment figures are full time equivalents and include all full-time and part-time enrolment.

NET ADDITIONAL FUNDS PER F.T.E.Marginal Revenue Per F.T.E.

- Gross formula grant	\$2,525
Less formula fees	<u>685</u>
- Net formula grant	1,840
- Northern allowance (12% of \$2,525)	303
- Student fees	<u>725</u>
Additional revenue	<u>\$2,868</u>

Marginal Teaching Costs Per F.T.E.

- Average salary per sessional = are full-time 1977/78	\$23,093
- Divided by desired student-staff ratio	14.2
- Marginal teaching cost per F.T.E.	\$ 1,627

Net Additional Funds Per F.T.E.

- Total additional revenue	\$2,868
- Marginal teaching costs	<u>1,627</u>
- Net additional funds	<u>\$1,241</u>

## APPENDIX II

### Commentary on Certain Aspects of the Organization and Management of Algoma University College

#### Preface

The Commission submits the material contained in this Appendix because it feels an obligation to do so under its terms of reference. This material has been deliberately omitted from the body of the report so that it cannot be misinterpreted as being an alternative to the recommendations contained therein. It must not be regarded as such.

Appendix II deals with certain aspects of the management of Algoma University College if it were to continue a degree programme - a proposition which has been rejected by the Commission. The matters are sketched briefly. They include the following:

#### A. Internal Structure

1. Terms of office and role of the Board of Trustees.
2. A unicameral governing council.

#### B. Finances

#### C. The Status of Faculty Under the Provisions of The Labour Relations Act

#### D. External Relations

1. Affiliation to Laurentian University.
2. Relationship to other institutions - a review of the options.
3. Summary.

## A. Internal Structure

### 1. Terms of Office and Role of Board of Trustees

The financial affairs of Algoma College Association would necessarily continue in a state of near insolvency for many years, as is indicated by the Clarkson, Gordon and Company report.

This condition would demand that strict control be imposed on finances, programmes, staffing and other factors relating to financial, academic and general management. It would demand continuing reliance upon the Corporation's bankers for operating funds and the making of a well-defined plan for the repayment of borrowings. Until the College achieved stability, that is to say, until it avoided annual operating losses and made substantial progress in the reduction of its accumulated deficit, there could be no change in its present trusteeship status.

The governing body having control over all aspects of management, academic, financial and administrative, would continue to be composed of a Board of Trustees, all of whose members had been approved in writing by the Minister of Colleges and Universities.

To broaden representation, the number of the Board of Trustees would be increased from five to seven, to permit the appointment thereto of the following:

- a) a person appointed by the president of Laurentian University from amongst the academic members of the senate of that university;
- b) a person appointed by the Lieutenant-Governor-in-Council upon the nomination of the Minister of Colleges and Universities.

The former appointee would assure closer liaison between Algoma and Laurentian and would reduce or minimize continuing problems relating to such matters as registration, programme development and extension programmes. The latter person should be one who has had wide experience in financial planning and management and who would assume responsibility, as a Trustee, for the immediate and direct supervision of finances and the making of such recommendations as would be necessary to avoid financial losses, having particular regard to staffing levels.

If the College were ever restored to a state of financial balance, as would be evidenced if it achieved a surplus in operations for two successive fiscal years, and made a substantial reduction in its accumulated deficit, application might then be made for supplementary letters patent to change its governing body to the form described in the next section. Unless these conditions occurred, the College would remain in trusteeship.

## 2. A Unicameral Governing Council

If the preceding conditions were ever satisfied, application might then be made for supplementary letters patent to provide for the reorganization of the governing body of the corporation in the manner following:

- a) that the Board of Trustees of the Corporation be named and styled "The Governing Council";
- b) that the Governing Council have full power and authority to manage the affairs of the Corporation as set forth under the terms of The Corporations Act, R.S.O. 1970, Ch. 89, including power and authority over all academic matters ordinarily vested in the senate of a university, subject to the terms of any affiliation agreement in force and effect;
- c) that the Governing Council be composed of the following persons:
  1. five persons appointed by the Lieutenant-Governor-in-Council, being broadly representative of the community, from amongst whom the president or chairman of the board will be appointed;
  2. the Dean of Algoma University College, ex officio;
  3. the three chairmen of the academic areas, ex officio, namely, Arts and Humanities, Social Sciences and Physical and Biological Sciences;
  4. one person appointed by the Faculty Association from amongst its membership;
  5. one person appointed by the President of Laurentian University from amongst the academic members of the senate of that university;
  6. three persons elected annually by the persons so appointed, none of whom shall be employees of the College.

A unicameral governing council would be established by the foregoing.

The Commission is of the opinion that such a body would be required for the governance of Algoma because it offers simplicity of structure, assurances of collective accountability and close communication and avoidance of a separation of academic and financial decisions.

The following is further proposed to be in the supplementary letters patent in order to avoid certain difficulties which have arisen in the administration of academic institutions by unicameral bodies:

- d) that provision be made for three standing committees of the governing council, namely: a finance committee, a physical resources and personnel committee, and an academic affairs committee;
- e) that the standing committees assume responsibility for the recommending of policy within their terms of reference;
- f) that the composition of each committee assure adequate representation thereon of academic persons;
- g) that not less than one-half of the members of the academic affairs committee be appointed from amongst those persons elected or appointed to the governing council in accord with Paragraphs 2(c)(2), (3) and (5) hereof.

## B. Finances

The financing problem of Algoma University College, if it continued to offer an undergraduate programme in the humanities, has been considered elsewhere in this report. It is the primary reason for the Commission's decision to recommend closure.

It may be summed up in brief terms: there can be no expectation of any improvement in government financing, either capital or operating. It must be expected that the value of the B.I.U. will not keep pace with inflationary trends.

Further, as the Clarkson, Gordon and Company report clearly demonstrates, the staffing level of the College would have to be adjusted to balance income with expenditures. The governing body of the College would have to immediately reduce the number of academic staff drastically in order to avoid the deficits which are reflected in the Clarkson, Gordon and Company report.

Also, the College could not expect any funds to be made available to it for any substantial renovations, repairs or replacements to or upon its existing physical plant and equipment. Thus any funds required for such purpose would have to be obtained through other sources or arise from surpluses achieved in operations. Doubtless, the Trustees would be faced with the need for obtaining financial assistance from lending institutions. In so doing, they would have to assure that a feasible repayment programme is arranged. In discharging their obligations as Trustees, they would have to take such hard decisions as may be necessary in order to assure that there would be no default. They are, and must consider themselves to be, accountable in the broadest sense of that term.

## C. The Status of Faculty under the Provisions of The Labour Relations Act

The continuation of the trusteeship, which includes two members of the faculty of the institution, and the proposed establishment of the unicameral governing council, would raise questions relating to the status of the academic members thereof.

It would be recommended that consideration be given to some means whereby the provisions of The Labour Relations Act could be avoided so that such persons could continue as members of their faculty association while serving the university in an administrative capacity, thus preserving the principle of collegiality.

#### D. External Relations

##### 1. Affiliation to Laurentian University

Algoma University College should continue in affiliation to Laurentian University. Given the findings made in the body of the report and the review of the options, there would be no cogent reasons for recommending a change despite some difficulties and tensions that have arisen from time to time. Difficulties will arise between any affiliated institutions. They can be reduced by effective communication.

It would be inappropriate for the Commission to suggest, at this time, specific changes in terms of the affiliation, particularly since it is impossible to predict what changes in circumstances would evolve if Algoma University College as it is today should remain in existence.

The appointment to the Governing Council of the nominee of the president of Laurentian University would improve communications and provide a means whereby each institution might be made aware of the needs and concerns of the other and be more responsive to the interests of the other.

It would appear that major areas of concern in the past have been with admissions practices, procedures for the establishment of extension programmes and the summer and intersession courses.

## 2. Relations with Other Institutions - A Review of the Options

In the second report dated July 30, 1976, it was proposed that consideration be given to several options for associations between Algoma University College and other institutions. Since none of these proposals resolves the basic problems facing the College - low enrolment, competition and scarce resources - none has been recommended.

However, because of the emphasis given to the options during the public hearings held at Sault Ste. Marie in May, 1977, the Commission makes the following observations with respect to them.

- a) Algoma University College as a Free-Standing University. No one has made a serious proposal in this regard, and it is considered unnecessary for a review to be undertaken;
- b) Reduction of Algoma Offerings to First and Second Years. This proposal was made as a possible method of achieving financial viability. Students would take first and second year at Algoma and then go to Laurentian for the final year. Several objections may be taken to this proposal, including lack of responsiveness to new demand areas such as commerce; elimination of third year electives in cooperative programmes like nursing; enhancement of the competitive advantage of Lake Superior State College in offering complete bachelor level programmes; and an overall reduction in demand for all courses;

It is questionable whether it would restore economic viability since it would not result in any substantial reduction in academic staff. A marginal savings might be effected through reduction in administrative staff.

In the final analysis, it would appear that the proposal would be workable only under a satellite arrangement involving affiliation to an Ontario university other than Laurentian or integration with Sault College.

- c) Affiliation to, or as a Satellite of, an Ontario University other than Laurentian. Many aspects of this proposal have been considered elsewhere in this report. There would undoubtedly be prestige involved in the taking of a degree from a southern Ontario university. Algoma might function as a feeder institution retaining first and second year students in Sault Ste. Marie. Such an affiliation would ensure the maintenance or improvement of academic standards.

However, difficulties would be encountered in faculty exchange arrangements, autonomy and flexibility in programming, monitoring of academic standards, responsiveness to local needs and inter-departmental relations.

Although external advice and expertise from the parent institution would be available, a question would arise as to the degree of local autonomy and management of student admission records, transcripts, transfer of records and registration schedules. Again, the question of autonomy with regard to student recruitment in southern Ontario would be raised.

Given the nature of the problems that will arise in the near future, it is questionable if any financial advantages would derive from association with another institution.

- d) Affiliation to Lake Superior State College. This proposal involved a strict affiliation with Lake Superior State College as the parent institution. Such a proposal would maximize educational opportunities for area residents in Canada and the United States through the coordination of supply and demand in programmes.

It is doubtful if such an arrangement would be acceptable to Lake Superior. Undoubtedly, it would raise problems with regard to academic priorities between institutions, the transfer of credits to Ontario universities, the definition of degree requirements and ultimately the status and prestige of the degree.

Further, special arrangements would be required to be made by the Ontario and Michigan governments regarding funding arrangements.

Clearly, advantages would accrue to Algoma by reason of its having access to the sports, recreational and cultural facilities of Lake Superior State College.

Similar observations could be made concerning an affiliation with Lake Superior State College as were made in Section 2(b) of this Appendix with regard to affiliation to Laurentian University.

- e) University of Northern Ontario. This proposal was not included in those options set forth in the July 30, 1976, report of the Commission. It first came to the attention of the Commission early in 1977 and was put forward in the course of public hearings which took place in May at Sault Ste. Marie.

It involves the administration of a university in northeastern Ontario. Its purpose would be to coordinate educational policy among all northern Ontario universities or, at least, amongst those which are presently affiliated to Laurentian.

It would contemplate dissolution of the affiliation agreements or, at the least, a major alteration of them. Support would be channelled through other ministries of the Ontario government (Culture & Recreation, Northern Affairs). The system would include

long-term planning, definition and achievement of objectives and financial support and grants. Possible provision for participation by colleges of applied arts and technology in areas of joint programmes on certain levels could be made.

The Commission considered this proposal and found no substantial difference, at least insofar as northeastern Ontario is concerned, from the present arrangement involving Laurentian University with its several affiliates. Indeed Laurentian was, at the time of its creation, designated the university for northeastern Ontario and it has functioned in this capacity throughout its existence.

The Commission does not see the proposal for the establishment of a northern Ontario university as representing a substantial advance in the delivery of educational services to the region.

- f) Consortium: A.U.C./L.S.S.C./S.C.A.A.T. This proposal evolved in the course of the Commission's work and provided a background for the proposal for the establishment of The Sault Region Education Planning Council.

It involves a voluntary cooperative association under the direction of a local advisory Board of Trustees, administered by a small central office located in one of the participating institutions to increase the efficiency, strength and availability of post-secondary education in Sault Ste. Marie and the district.

Cooperative areas would include programme and course sharing and programme development and implementation. Special programmes in full-time and part-time extension and non-credit areas combining advertising and promotional activity, integrated student recruitment, institutional projects in teaching, research and vocational preparation, interchange of ideas and resources, rapid inter-library loan delivery system and increased employment opportunities for students.

Consideration of all of these activities is contemplated to be within the terms of reference of The Sault Region Education Planning Council and Outreach Algoma.

- g) The Establishment of an International University. Although this proposal was made in an undefined way by several persons within the Sault Ste. Marie community, the explicit nature of the proposal was never made clear. It is apparent, however, that it would not be a true international university, being one devoted specifically to international problems. In that case, it would be under joint Canada/U.S. sponsorship. The central problem involving a joint undertaking by Lake Superior State College and Algoma University College under the headship of a single corporate body would relate to the nature of the affiliation between the two constituent bodies. The university corporate entity would provide for coordination of efforts on both sides of the international border and might ulti-

mately provide a concentrated approach to international issues such as urban problems, international politics, peace, racial equality, pollution, languages and any other areas that transcend national boundaries in their ramifications.

The academic justification would lie in a need to transcend national boundaries and encourage a sense of world citizenship.

If these were made primary objectives of the international university, it is clear that they would be more appropriate to graduate than to undergraduate education. Further, the present faculty and library facilities of Algoma University College and Lake Superior State College could not be considered adequate for such a venture.

Once again, the viability of the international university would relate directly to those factors which are characterized as the Algoma Trilemma, which would likely operate to cause the downfall of this institution.

Many problems are inherent in the proposal for an international university. The difficulty involved in financing, the relationships between the funding agencies, primarily the governments of Ontario and Michigan, would prove most difficult. These problems, relating as they would to an operational and fully integrated university, would not be encountered by the proposed Planning Council, which is envisaged as a voluntary advisory body.

### 3. Summary

The foregoing represents a brief review of the proposals and of the Commission's reasons for rejecting them. It is, of course, not detailed, but merely touches upon their highlights.

None of these proposals aids in the resolution of the problems characterized as the Algoma Trilemma, and each has inherent in it, with the exception to that relating to the Consortium, a fundamental weakness, financial, administrative or academic, which militates against further consideration. Accordingly, each was, after careful consideration, rejected by the Commission.

APPENDIX III - STAFF OF THE COMMISSION

Commissioner	John W. Whiteside, Q.C.
Commission Counsel	Rodney Hull, Q.C.
Registrar	Anthony Keller, L.L.B.
Assistant Registrar	Catherine Meanwell, L.L.B.
Consultant	James A. Hartman, Ph.D.
Consultant	Shaughnessy Cohen, M.A., L.L.B.
Accountant	Duncan F. Read, M.Ed., L.L.B.
Secretary	Marianne Skinner
Secretary	Pat Smith

## ACKNOWLEDGEMENT

The Commission has been long and, at times, arduous and demanding. It was made easier by the help and assistance of many persons - too many for me to acknowledge and thank individually.

I must, however, record my special gratitude to the staff of the Commission for their constant support and assistance; and, as well, to express personal thanks to the Board of Trustees, faculty and administrative staff of Algoma University College, officials of the Ministries of Colleges and Universities and the Attorney-General, interested persons in Sault Ste. Marie, and the distinguished and busy academic persons who gave freely of their time and knowledge to inform the Commission.

Finally, I record my thanks to my Dean, colleagues, staff and students of my school, and to one other, for their understanding and support, and their tolerance of my absences and shortcomings.

J.W.W.

